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NEWS SUMMARY

GENERAL

Chinese pull out of Vietnam

China anouneed that it was pulling back its forces from Vietnam. But Peking's move to end the border conflict failed to win nay response from Vietnam, which ordered a general mobilisation "to defeat the Chinese aggressors and protect national independence."

In an official statement from the New China News Agency, China declared that its forces had achieved their goals and that "from March 5, 1979, all Chinese frontier troops are withdrawing into Chinese territory."

Intelligence sources in Bangkok said there were no convincing signs as yet of a Chinese withdrawal but, in Peking, some diplomats suggested that the timing of the announcement indicated that the bulk of the forces had already been withdrawn. Back Page; Editorial comment, Page 18

Swiss refuse Iran request

Switzerland has refused to comply with the Iranian Government request to freeze Swiss bank accounts belonging to the Shah and members of his family.

Dr. Kurt Furgler, Minister of Justice, said existing legal possibilities in Switzerland were sufficient for the Iranian authorities. Page 4.

Obote force

Dr. Milton Obote, former Ugandan President, said his exile forces were marching on Kampala and Uganda Radio announced that the army had been told to "fight to the last man" against invading forces. Page 4

Zanu man quits

Mr. Elliot Gabellah, Rhodesian black joint Foreign Minister, quit the Zimbabwe African National Union, saying he could no longer reconcile his conscience with methods the party used to achieve one-man, one-vote elections. Page 4

Euthanasia call

Terminally ill people in incurable pain should be actively helped to die, heart transplant pioneer Christian Barnard said in Cape Town.

UK apologises

Britain apologised to the UN Human Rights Commission over the case of an Indian woman forced to undergo a virginity test at Heathrow Airport.

'Spy' talks

The Government is to go ahead with talks leading to the introduction of the tachograph in British goods vehicles over 3.5 tonnes, in spite of a storm of protest from Left-wing Labour MPs. Back Page

Jupiter findings

The U.S. Voyager spacecraft made its closest approach to the giant planet Jupiter and encountered intense radiation as it sent pictures back to earth.

Lean times

A squirrel, having a lean time after coming out of hibernation early in Kirkby-in-Ashfield, Notts., bit a housewife, her neighbour and a policeman who tried to catch it. All three were taken to hospital for anti-tetanus injections.

Briefly . . .

National Airlines of the U.S. was fined £10,250 after 800 snakes were found dead on arrival at Heathrow airport.

BUSINESS

Golds fall as bullion price drops $8

● **EQUITIES** traded spasmodically and the FT ordinary index closed unchanged at 484.6. Gold shares came under sharp pressure on the lower price for bullion, and the Gold Mines index fell 8.1 to 161.2.

● **GILTS** eroded early gains on industrial news, and the Government Securities index closed 0.17 up at 71.57.

● **STERLING** rose 5 points to $2.0225 and its index remained at 64.5. The dollar's depreciation was also unchanged at 8.2 per cent.

● **GOLD** fell $8½ to $238¼ in

active London trading.

● **WALL STREET** was up 13.43 at 829.18 just before the close.

● **EEC FARM** Ministers appear close to a breakthrough in the dispute over farm pricing arrangements which for two months has hampered introduction of the European Monetary System.

● **EEC** member government will shortly examine proposals for a $2bn European Community passenger aircraft project to compete with U.S. manufacturers in the medium- to short-haul market by the mid-1980s. Back Page

● **SIR DENIS ROOKE**, chairman of the British Gas Corporation has criticised Government policy towards the nationalised industries as reflecting short-term political expediency, which made consistent management almost impossible. Page 8

Output prices up

● **OUTPUT** prices charged at the factory gate rose at a slightly faster rate in February, reflecting the build-up of labour and raw material cost pressures on industry. The wholesale price indices, published yesterday by the Department of Industry, point, however, to a modest acceleration in the cost of living over the next few months. Back Page

● **CIVIL SERVICE** unions have stepped up their campaign of selective strike action over pay by calling out more computer workers in an attempt to disrupt the Government's expenditure information and Budget preparations. Page 10

● **LOCAL AUTHORITY** leaders in the West Midlands have appealed to BSC to defer decision on the closure of the Bilston steelworks in the light of a new research report which finds that in the long-term, BSC would be unwise to close the plant. Page 10

● **DAILY MIRROR** is expecting its profits to be cut by about £3m a year because of competitive pressure from Express Newspapers' new tabloid, the Daily Star. Page 10

● **FISONS** lifted pre-tax profits by 12.3 per cent to a record £22.9m in 1978, on sales ahead from £293.37m to £348.3m. Page 20 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:

Exchequer 3pc 1983	£81	+	1¼
Treas. 12 pc 1983 A	£100	+	¾
Arenson (A.)	107	+	21
Bath & Portland	52	+	6
Bishop's Stores	178	+	23
Brent Chemicals	249	+	14
Brown (J.)	454	+	10
Caplan Profile	187	+	15
County & District	168	+	10
Daejan	140	+	10
Fodens	55	+	5
Glass Glover	33	+	6
LWT A	149	+	7
MFI Furniture	290	+	10
More O'Ferrall	97	+	5
Muirhead	264	+	13
NSS Newsagents	118	+	10
Petbow	90	+	6
Sainsbury (J.)	263	+	13
Status Discount	293	+	13
Thorn Elect.	374	+	12
Tomkinsons Carpets	68	+	9
Wilson (Connolly)	152	+	9
BP	1056	+	14
Guthrie Corp.	518	+	18
Harrisons Malaysian Ests.	151	+	7
General Mining	447	+	7

FALLS:

Burton Warrants	97	−	4
Lindsay & Williams	106	−	5
Lloyds Bank	313	−	9
Manganese Bronze	59	−	11
Sotheby P. B.	340	−	20
De Beers Defd.	450	−	14
Free State Geduld	£15½	−	1¼
Gold Mines of Kalgoorlie	90	−	8
Hartebeest	£13½	−	½
Kloof	612	−	35
President Steyn	664	−	47
West Driefontein	£20¾	−	1¼
Western Hldgs.	£18¾	−	1

Israel responds favourably to new proposals

Carter in peace bid flight to Mid-East

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER will fly to the Middle East tomorrow in an unprecedented personal bid to secure a peace treaty between Egypt and Israel.

The trip, undertaken at the request of Md. Menahem Begin, Prime Minister of Israel, and President Anwar Sadat of *Egypt, is an enormous personal* gamble for the President and underscores dramatically the deadlocked state of the negotiations.

It demonstrates the extent to which Mr. Carter is willing to set aside all other business, as he did at Camp David last September, to secure a breakthrough in the Middle East.

Mr. Jody Powell, the White House Press Secretary, said yesterday: "Without a major effort such as this the prospects for failure are almost overwhelming."

Mr. Carter, *whose foreign* policy has come under increasing attack in recent weeks flies to Cairo tommorw and on to Israel on Saturday.

The announcement of the trip came after Mr. Begin met Mr. Carter yesterday morning, and after the Israeli Cabinet responded favourably to new proposals tabled by the U.S. on Sunday night.

Mr. Begin, who according to U.S. officials proved intransigent in his first four days of talks with Mr. Carter, said yesterday that the U.S. President's journeys to Cairo and Jerusalem "will further the cause of peace and bring closer the prospect of a peace treaty.

But U.S. and Israeli officials refused all comment on whether the new American suggestions for breaking the deadlock concerned specific issues in the draft treaty, or centred more on the mechanics of Mr. Carter's peace mission.

As spelled out on American television on Sunday by Mr. Begin, the principal blocks to a bilateral peace treaty are first, Israel's desire to avoid a specific link between her peace treaty with Egypt and the wider question of autonomy for Palestinian Arabs on the occupied West Bank and Gaza Strip; and Egypt's intention of relating a peace agreement with Israel to her obligations to fellow-Arab countries.

Mr. Powell said that while the Israeli Cabinet had responded favourably to the new U.S. proposals, difficult issues still remained. Progress is believed unlikely until Mr. Carter confers with the full Israeli Cabinet.

U.S. Administration officials say Mr. Carter is not expected to return to Egypt after he has been to Israel, and thereby launch into the sort of shuttle diplomacy that Mr. Cyrus Vance, his Secretary of State, has conducted between the two countries.

Important though the negotiations are, and Mr. Carter has taken care to brief the leadership of the U.S. Congress in the past two days on his moves, he will also discuss "regional security and bilateral issues" with President Sadat and Mr. Begin, a White House statement said.

His trip will be a chance to get first-hand impressions of how the whole Middle East security picture has changed in the wake of the Iranian revolution, and Russian encroachments in the Horn of Africa and round the Arabian peninsula.

David Lennon reports from Tel Aviv: Israeli politicians were delighted with the news of Mr. Carter's visit. They took it as a clear sign that there had been a major breakthrough in the talks with Egypt.

Prof. Yigael Yadin, the Deputy Prime Minister, said the Cabinet decision yesterday to approve the new American compromise proposals had cleared the way for the visit.

Mr. Shimon Perez, Leader of the Opposition Labour Party, welcomed the news

In Cairo President Sadat saw the U.S. Ambassador for more than an hour. The Egyptian leader had been due to hold a Press conference in the afternoon, but, after meeting, the ambassador and his advisers, cancelled the conference.

West Germany allows £215m Deutsche BP deal with Veba

BY ADRIAN DICKS IN BONN

COUNT OTTO LAMBSDORFF, the West German Economics Minister, gave his consent yesterday to the DM 800m (£215m) exchange of interests between Deutsche BP and Veba, announced last June. The deal should greatly strengthen BP's position in West Germany.

Count Lambsdorff's decision gives Deutsche BP most of what it wanted from the deal, and notably allows it to take up a 25 per cent stake in Ruhrgas, the leading West German importer and distributor of natural gas.

However, in deference to the reservations of the Federal Cartel Office and the West German monopolies commission—both of which opposed the entire deal — the decision imposes a series of strict conditions.

The Minister made it clear in Bonn yesterday that he took very seriously the argument that Deutsche BP's entry into Ruhrgas might carry the risk of reducing competition between fuels if control of the company were exercised by international oil interests.

However, this argument was outweighed by what West Germany would gain from the 3m tonnes of crude oil a year which the BP group has undertaken to provide to Veba at current market prices up to the year 2000. The Veba group, shaped and 44 per cent owend by the German Government, has little crude of its own.

In addition, Count Lambsdorff said he recognised that the Deutsche BP-Veba deal would both help restructure West Germany's over-capacity in refining and bring in a new entrant to the natural gas market. Deutsche BP last December signed a 20-year contract with Algeria for 4.5bn cubic metres of natural gas a year wrom 1985.

The conditions imposed by Count Lambsdorff, which are virtually certain to be formally accepted by both Veba and Deutsche BP, cover voting arrangements within the Bergemann voting pool. This group's shareholdings in Ruhrgas includes the 25 per cent Deutsche BP is buying from Veba, and in turn controls 56.1 per cent of Ruhrgas itself.

The Minister has now insisted that, while the future Deutsche BP stake in Ruhrgas can remain at 25 per cent, its weight within the pool will decline to 41.84 per cent from the 44.56 per cent originally planned. Veba will have to sell an additional 8.5 per cent of Ruhrgas not included in the original transaction to the so-called "old shareholders," including the West German steel industry majors Mannesmann and Hoesch, as well as Texaco, the U.S. oil giant.

Count Lambsdorff said he was satisfied that Ruhrgas could not, through the Bergemann pool, be controlled either by a combination of international oil interests or by a theoretically possible alliance between Deutsche BP and the German coal giant, Ruhrkohle. Texaco and Deutsche BP will between them have only 48.88 per cent of the Bergemann pool, while Ruhrkohle will have 28 per cent.

The Minister said he was not troubled by the possibility of a long-term alliance between Deutsche BP and Ruhrkohle, although both the cartel office and the European Commission in Brussels had forced the two companies to withdraw a proposed agreement demarcating their interests.

If the Bergemann pool were dissolved, Deutsche BP would have to reduce its holding in Ruhrgas from 25 to 9 per cent, as the monopolies commission recommended. But this is considered a very remote possibility.

Details Page 3

Oil industry sets up task force to warn Ministers of shortages

FINANCIAL TIMES REPORTER

THE OIL industry has set up a task force to inform the Government about shortages of petrol, heating fuel or other oil products in the wake of the Iran crisis.

The two-month halt in exports of Iranian crude has started affecting the small, independent UK oil companies severely. Some cannot fulfil their orders.

Walsall education authority, which buys its heating oil from an independent, has had to close because of inadequate supplies and might have to close many more. It has failed to get orders accepted by other suppliers.

Petrol stations supplied by the small independents have also been affected and some may soon close. Esso, however, said yesterday that the shortfall in oil supplies should lead neither to a general shortage of petrol nor to significant increases in petrol prices.

The Association of UK Oil Independents, which includes companies such as John Hudson, Shaw's, Economat and Thomas Black, said its members had suffered cuts in supplies of up to 55 per cent of last year's deliveries.

The small independents, which probably account for no more than 4 per cent of the total UK market for oil products, have appealed to the Government for help.

It has refused, apparently feeling that the shortfall is not great enough to warrant emergency action.

Although the task force is keeping the Department of Energy informed, sometimes daily, of changes in oil availability, it has not asked for the Oil Industry Emergency Committee to be called into action.

Mr. Anthony Wedgwood Benn, Energy Secretary, said in a Commons answer yesterday, that he was planning to meet representatives of Conoco last night. He said the oil company had assured him that it was not diverting oil supplies destined for the UK to the more lucrative Rotterdam spot market, as seemed to be suggested in an internal company document last week.

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Iran oil exports resume, Back Page

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For latest Share Index 'phone 01-246 8026

Base rates follow MLR down to 13%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE COST of overdrafts was reduced yesterday as the clearing banks cut their base lending rates from 13½ to 13 per cent.

The move, led by Midland Bank followed last Thursday's cut of one point to 13 per cent in the Bank of England's minimum lending rate.

The authorities are hoping for some temporary stability in interest rates after the conditions of the past month, in which a sharp rise has been quickly followed by a cut.

Last month the clearers increased their rates by only one point, rather than the 1½ point rise in MLR, and yesterday's cut brings rates back into line.

Rates on seven-day deposit and savings accounts were also reduced by half a point yesterday to 10½ per cent.

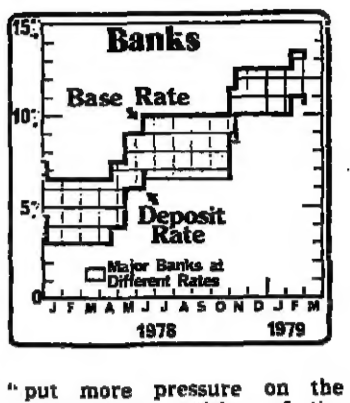
The reduction in the banks' rates makes it virtually certain that the mortgage rate will be left unchanged by the council of the Building Societies' Association at its meeting on Friday.

At the new levels top-quality corporate customers of the banks are paying 14 per cent for overdrafts—against 7½ per cent a year ago—and other borrowers face rates of 16 or 17 per cent.

The banks, however, have been facing severe liquidity pressures recently because of large purchases of gilt-edged stock by the public. To ease the difficulty the Bank of England yesterday cancelled a recall of £445m of special deposits due on Friday.

This is equivalent to half the deposits temporarily released by the Bank to the banking system on February 15 in order to ease the earlier shortage of funds; the other £445m is due to be recalled at the end of this month.

The Bank of England said that the planned recall would have



"put more pressure on the reserve asset position of the banking system and thus on short-term interest rates than is required for the present policy of continuing monetary restraint."

The Bank has not given any new date for recall and this apparently reflects the view that the current money market shortages may last for the next few weeks, especially with £455m due to be subscribed within the next fortnight on two gilt issues.

But thet Bank stressed that this did not mark any change of policy and pointed out that it remained possible "for the rate of call for special deposits to be increased at any time if that should become appropriate."

News of the cancellation of the call led to early gains of three-quarters of a point in long-dated gilt-edged stock rising to 1¼ points. However, prices fell back towards the close, partly on profit-taking, with closing rises of only a quarter.

The FT Government Securities index rose by 0.17 to 71.57 for an increase of 10¾ per cent since February 8.

Options for monetary reform, Page 19

Fed plans stricter line on foreign bank takeovers

BY STEWART FLEMING IN NEW YORK

THE U.S. Federal Reserve Board is planning to intensify its supervision of U.S. banks controlled from abroad and is considering tightening regulations defining the kind of foreign company which can qualify to acquire a U.S. bank.

A policy statement from the Fed yesterday makes it clear, however, that the Fed accepts that foreign banks should not face special obstacles in making U.S. acquisitions.

In its policy statement, the Fed says the principle of "national treatment" or non-discrimination against foreign banks should govern its regulations. "In general, foreign banks seeking to establish banks or other banking operations in the U.S. should meet the same

Continued on Back Page

Schmidt in talks on reviving Turkish economy

BY ROGER BOYES IN BONN

MR. ZIYA MUEZZINOGLU, Turkish Finance Minister, arrived here for talks last night with Chancellor Helmut Schmidt of West Germany. The talks are aimed at exploring ways in which West Germany and other Western countries can help to revive Turkey's flagging economy.

The two were expected to discuss details of a programme of emergency aid to Turkey, first proposed at the Guadeloupe Summit.

Since that meeting, involving the leaders of Britain, France, the U.S. and West Germany, Herr Schmidt, together with the Organisation for Economic Co-operation and Development, has been trying to co-ordinate a multi-lateral aid programme which would meet Turkey's immediate and medium-term needs.

Mr. Muezzinoglu has just been in Paris meeting OECD officials. Apart from its immediate requirements, Turkey is understood to want at least $1bn a year for the next five years to finance its development plans. This figure was considered likely, by officials here, to be one of the main discussion points with Herr Schmidt. The issue of what conditions, if any, should be imposed on the aid programme was also expected to be on the agenda.

The question of conditions is one of the main sticking points in efforts to put together an international aid package.

Among the measures sought by the International Monetary Fund are controls over wage increases, yet further limits on the public sector deficit and Central Bank credits, and a devaluation of about 30 per cent.

The OECD, concentrating on the longer-term issues, is also pressing for adoption of its recommendations that the economy be opened to foreign investment, tourism and competition.

Mr. Bulent Ecevit, Turkish Prime Minister, has taken a number of steps in these directions during the year he has been in office.

Since the Guadeloupe meeting, potential Western and Arab contributors to an aid package have made it clear that they wish Turkey to mend its fences with the IMF.

Talks between Turkey and the Fund over the third tranche of the $450m stand-by credit agreed last April are at present suspended.

Wrangle may hold up German loan talks

By Our Bonn Staff

A PROCEDURAL wrangle threatens to hold up progress at a tribunal hearing here which is designed to unravel the effects of currency shifts on the repayment of the pre-war $300m German Young loan.

The loan, in nine different currencies, was extended to Germany in 1930 by the major western nations, and was re-negotiated in 1953. Repayment is due to bondholders next year but Germany and five western powers—including Britain, the U.S., and France—are in dispute over the basis of payment. The dispute has now reached the stage of an arbitration tribunal with the Germans as defendants.

The hearing, which opened yesterday, ran in its first day through the full gamut of judicial emotion, ranging from expressions of mutual friendship between the defending Germans and the Government officials of creditor nations to an exchange of "mild reproofs."

The Germans objected to the late application to consider oral evidence. They questioned whether the witnesses would add to the understanding of the case.

Procedural delay certainly appears to have been the rule rather than the exception in this dispute which has now dragged on for 18 years. The witnesses, if indeed they are allowed to appear, will be testifying about the central issue: the correct interpretation of a proviso in the 1953 London agreement on Germany's external debts which sought to redefine the basis on which the loan should be repaid.

The London agreement stipulated that should the rates of exchange on any of the currencies of issue alter by more than 5 per cent after August 1952, then the subsequent instalments should be calculated on the basis of the "least depreciated currency."

The Deutsche Mark revaluation of 1961 first made the phrase contentious.

The revaluation prompted bondholders to demand that the basis of repayment should be switched to the Deutsche Mark as this had become the "least depreciated currency." The Germans claim however that on the basis of IMF parities, the Mark has actually appreciated and was therefore not eligible to be the new basis for repayment.

Likely Scheel successor

BONN — Herr Karl Carstens, Speaker of Parliament, became a virtual certainty to succeed President Walter Scheel as West Germany's head of state when he was nominated for the post yesterday by the Christian Democratic opposition.

The Socialist-Liberal Government voted Herr Scheel into the titular post in 1974, since when its majority has shrunk in the Lower House, and the Christian Democrats have gained control of the Upper House.

A number of public opinion polls commissioned by the news media have shown that a majority of the public would like to see the genial Herr Scheel remain as President.

Reuter

Herr Carl Carstens

Army General murdered in Madrid

BY ROBERT GRAHAM IN MADRID

A SEMI-RETIRED army General was assassinated yesterday by a gunman outside his flat in the heart of Madrid. The killing, the second of a ranking General this year, appeared timed to jolt the nation as it began to relax after last Friday's election victory of the ruling Union de Centro Democratico (UCD).

The officer, Brig.-General Augustin Munoz Vazquez was returning home for lunch. Witnesses said he had been dropped by his official car when he was approached by a youth, who fired four or five shots

The General had no bodyguard and the youth ran to a car parked in a side-street. The car subsequently was found about 300 metres from the site of the killing. The officer apparently was dead on arrival at hospital.

The General's last active command was in the enclave of Ceuta, in charge of the quartermaster's division. His relative insigificance, coupled with the fact that the site of the killig (on a busy main road with easy side street escape routes), suggested that he was a purely symbolic target.

On January 3 the military governor of Madrid, General Ortin, was assisinated in similar circumstances. His death was claimed by the militant Basque separatist organisation, ETA.

A week later a Supreme Sourt judge was killed in Madrid, an attack claimed by the shadowy terrorist organisation, Grapo (an anti-Fascist resistance movement).

Since then the Government has implemented stricter security measures for all senior officials, especially in the armed forces. During the general electio campaign the security forces were on a state of alert against such terrorist attempts. There is believed to have been a slight relaxation of this alert since Saturday.

Yesterday's assassination was a brutal reminder to Sr. Adolfo Suarez, now in the process of trying to form a new Government, of the major law and order problem confronting the country.

Because the election campaign witnessed comparatively little violence, even in the Basque country, people had been lulled into a false sense of calm. So far this year there have been just under 30 politically motivated killings, over 90 per cent of which have been attributed to or claimed by ETA.

This assassination also put a question mark over how Sr. Suarez will tackle law and order. Just before polling, Sr. Rodolfo Martin Villa, the Interior Minister, hinted that he wanted to step down from this thankless job.

He had become the most villified Minister for his tough, humourless approach to terrorism on the one hand and his efforts to change old ways in the security forces on the other. But Sr. Martin Villa suited Sr. Suarez' purposes, and another person may not fit the bill so easily.

Faster growth forecast for Finns

BY ROBERT MAUTHNER IN PARIS

FINLAND'S economy is likely to grow by about 4 per cent in 1979, markedly faster than last year when GDP rose by 2.3 per cent, according to the latest survey of the Finnish economy, by the Organisation of Economic Co-operation and Development.

But the report warns the Finnish Government that the rate of price inflation may well be above the area's average in the current year and could endanger the competitiveness in the longer term. The rise in consumer prices is expected to accelerate to 8 per cent in 1979, compared with about 7.5 per cent last year.

The current account, which showed a surplus of £275m in 1978, according to the OECD's estimates, is likely to remain in credit by £225m in the current year, in spite of some reduction in the growth of exports.

With productivity expected to improve, there appears only limited scope for bringing the unemployment rate down from its post-war peak in 1978. The OECD also expects acceleration in the growth of wages, though fiscal incentives have helped secure moderation of income claims in the past, that does not imply that they would be appropriate at all times in the future, the report says.

Industry's profit position is still weak and is acting as a damper on productive investment. The re-emergence of strong wage and income pressures could lead quickly to a reversion of restrictive policies after the relatively expansionary stance of the 1979 budget.

Overall, the report considers that the objectives of Finland's medium-term stabilisation policy are well conceived. Controlled expansion of demand to absorb gradually the slack in the economy, while giving high priority to dampening cost and price developments, would seem to offer the best chance of success.

"The main risk probably rests with the development of costs and prices and it is in this area that a greater consensus needs to be obtained if an increase in employment over the medium term is to be sustained."

New Belgian coalition bid

BRUSSELS — Mr. Paul Vanden Boeynants (59), a Christian Democrat, has been asked by King Baudouin to form a new Belgian government.

After the resignation of the Tindemans Cabinet, a general election was held on December 17, but these failed materially to change the political make-up of Parliament. Since then, Mr. Willy Claes, the Flemish socialist, and Mr. Wilfried Martens, the Flemish Social Democrat, have separately tried vainly to form a government.

Ekofisk production falls

BY FAY GJESTER IN OSLO

OIL PRODUCTION from the Ekofisk complex in Norway's sector of the North Sea fell to 11.1m barrels (1.44m tonnes) in January this year, compared with 12.1m barrels (1.59m tonnes) in January last year.

Gas sales during the month, in terms of oil equivalent, reached 1m tonnes from Ekofisk and about 853,000 tonnes from Norway's share of Frigg.

A year earlier, the figures were 780,000 tonnes and 370,000 tonnes respectively.

Phillips Petroleum, the operator on Norwegian North Sea block 2/7, has plugged and abandoned its 12th well on the block, after drilling to a depth of 1,793 metres.

● Norway's Conservative Party, which received only 24.8 per cent of the vote in the 1977 Parliamentary election, is running a very close second to the ruling Labour Party, according to a public opinion poll. The poll, published at the weekend, says support for the party was 35.2 per cent in the second half of January—0.8 per cent up from a month earlier. Labour scored 37.1 per cent—2.3 per cent down from the previous month.

Tax revolt threatens in Ireland

By Stewart Dalby in Dublin

A REVOLT by Irish PAYE taxpayers is in prospect following the Government's decision to rescind the 2 per cent agricultural levy imposed in the budget a month ago.

Mr. Harold O'Sullivan, president of the Irish Congress of Trade Unions (ICTU), has said that the ICTU's special delegate meeting, due this Friday, will decide against a new national wage pact or even an informal agreement with the Government unless concessions are made to PAYE taxpayers who contributed over 80 per cent of the country's more than £2bn tax bill.

He also said there could be token strikes, rallies and other forms of protest about farmers' low contribution to the tax bill.

Ireland's 180,000 farmers contribute less than 2 per cent of total tax revenues.

The 2 per cent levy to have been imposed on gross sales of most agricultural goods was an attempt by the Government to increase farmers' contribution to public revenue, and was expected to have been worth £16m this year. But under pressure from the powerful farmers' associations, the Government has dropped the levy.

The two main farmers' organisations, however, have agreed that farmers should pay their "fair share" of taxes and that they will settle with the Government before May 1 on what that is and what form it should take.

Pertini calls for final attempt to end crisis

By Rupert Cornwell in Rome

SIG. SANDRO PERTINI, the Italian President, last night began consultations with party leaders in what is seen as the final attempt to solve the Government crisis which is now nearly five weeks old.

After the collapse of efforts to lure the Communists back into the fold last week, the only hope of averting an early general election is for a new Government to be formed led by Christian Democrats, with the backing or, at least, acquiescence of the Socialists (PSI).

To launch this variant of the old Centre-Left formula of the 1960s, the Christian Democrat Parliamentary Party yesterday suggested three candidates: Sig. Giulio Andreotti, the outgoing Prime Minister, Sig. Flaminio Piccoli, the party president, and Sig. Arnaldo Forlani, the Foreign Minister.

The prospects are doubtful. The Christian Democrats see no point in heading a weak administration that would merely serve the Socialists' purpose of allowing direct elections to Europe to go ahead unhampered.

The Socialists, on the other hand, are deeply divided on the issue of aligning themselves anew with the Christian Democrats. The most that Sig. Bettino Craxi, the PSI secretary, is likely to secure from his party is a mandate to negotiate for a transitional government to tide things over until the autumn. Quite possibly this would involve no more than Socialist abstention in Parliament.

It is from these ingredients that a compromise must be fashioned. If the attempt fails, Sig. Pertini will have to send Sig. Andreotti's Government back to Parliament for a formal vote of no confidence. In the event of defeat, the spring elections, which the parties declare unanimously, but unconvincingly, that they do not want, would become a certainty.

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W. German foreign reserves fall £1.27bn this year

BY DAVID MARSH

WEST GERMANY'S net monetary reserves fell DM 3bn (£810m) last month, taking the fall since the end of last year to DM 4.7bn (£1.27bn), according to figures published yesterday by the Bundesbank.

The sharp drop partly reflects a turn-round in the Bundesbank's foreign exchange intervention over the past few weeks. It has been taking advantage of the U.S. currency's relative stability to sell dollars from its reserves in order to drain some of the liquidity in the German banking system which built up during the run on the Deutsche Mark towards the end of last year.

Other factors behind the fall have been repayments by the New York Fed. and the central banks of currency snake countries, of D-mark credits taken out to prop up their currencies at the end of 1978, as well as the placement of the U.S. Treasury note issues in Germany. All of this has a tightening effect on bank liquidity.

The change in intervention tactics, coupled with other tightening action the Bundesbank took around the turn of the year, is helping slow the rise in money supply, which expanded sharply in 1978 mainly as a result of heavy Bundesbank support for the dollar and snake currencies.

In a bid to dampen the risks of an upsurge in inflation, the West German central bank this year aims to reduce the growth in basic money supply, to 6-9 per cent by the final quarter, from the average 11.5 per cent growth last year.

One illustration of the squeeze has been a rise in overnight rates on the German money market, which are up to over 4 per cent against 3 per cent at the start of the year.

The rise in German interest rates clearly carries with it some danger of exerting pressure on the dollar, although the Bundesbank is quick to point out that, since it started to take a firmer monetary line two months ago, the dollar has remained fairly stable in the region of DM1.82-DM1.88.

Giving the view of Germany's largest commercial bank, on the U.S. currency prospects, Dr. Wilfried Guth, chief executive of the Deutsche Bank, says that the best that can be hoped for is that the dollar will remain stable around the DM1.85 level over the next few months.

Only in the improbable event of the U.S. succeeding immediately in bringing down its inflation rate, is the dollar likely to gain ground, he told the Financial Times in an interview in London at the end of last week. Otherwise, with German inflation at around 2.5 per cent against about 9 per cent in the U.S., "there must be some change in exchange rates," he said.

However, the dollar's recent stability, despite the oil price rise and events in Iran, has shown the strength of last November's moves in the U.S. to fight inflation and lower the payments deficit.

Dr. Guth, who is widely expected in Germany to be the next president of the Bundesbank when Dr. Otmar Emminger retires, added that the fact that the European currencies have moved within narrow bands since the start of the year showed that the European monetary system had good hopes of stability once it got going.

VEBA-BP DEAL IS GIVEN THE GREEN LIGHT

Lambsdorff finds a solution which satisfies everyone

BY ADRIAN DICKS IN BONN

COUNT OTTO LAMSDORFF, the West German Economics Minister, has managed to find a solution to the complex issues posed by the Deutsche BP-Veba case that gives the majority of those concerned most of what they wanted at the outset, while protecting his own flank against potential political attackers.

Deutsche BP has succeeded in its principal purpose of acquiring a 25 per cent stake in Ruhrgas, the leading West German importer and distributor of natural gas, and is not likely to feel that this objective is seriously compromised by the various restraints on Ruhrgas shareholders that the Minister has made a condition of his consent to the deal.

Veba, though it has given up the Ruhrgas holding, has also been able to shed unwanted refinery capacity that, as its chairman Herr Rudolf von Bennigsen-Foerder warned at the January public hearing on the case, it would otherwise have had to close down within a few years in any case. Meanwhile the company is also getting the tidy sum of DM 800m (£216m) from Deutsche BP in exchange for the Ruhrgas holding and for the other interests which Deutsche BP will take over.

The Economics Minister made clear yesterday that his decision had been a finely balanced one. As he told a press conference, "I have said 'yes but' to this application, yet I could as well have said 'no but'." Besides the arguments over the structure of the oil industry and over the question of energy supply, the Minister has had to consider how to preserve the Government's reputation as a defender of the free market economy as it moves towards the fourth revision of the Cartel Act. He could not have let such a huge and complex case seem to slip under the net.

The deciding factor for Count Lambsdorff—as Deutsche BP and Veba both expected it would be—has plainly been the argument that West Germany's energy supply position would be strengthened. Unlike any other major European industrial country, Germany has no big oil company with secure access to reserves of its own. Veba, in which the Bonn Government owns 44 per cent and which it has long hoped would fulfil this role, has not yet been able to make up substantially the long lead in expertise and sheer financial muscle of the international majors.

The deal with Deutsche BP will give Veba 3m tonnes of crude a year up to the year 2000 at market prices, equivalent to 19 per cent of Veba's total crude needs and to 3 per cent of Germany's total current import volume. Count Lambsdorff has sought, and received, firm assurances from BP itself in London that in times of short supply, such as the Iranian shortfall might yet turn out to be, Veba would be treated no less favourably than BP's own subsidiaries.

THE DEAL AT A GLANCE

Deutsche BP acquires:

- 25 per cent of Ruhrgas AG, exercised through the "Bergemann voting pool." This intermediary instrument, which has hitherto controlled 56.1 per cent of Ruhrgas, has its influence increased to 59.75 per cent. If pool is dissolved (by 75 per cent of all its participants), BP share in Ruhrgas has to be reduced to 9 per cent.
- 31 per cent of DFTG (Deutsche Fluessigerdgas Terminal Gesellschaft), the company building Wilhelmshaven LNG importation facility.
- 25 per cent of Speyer refinery.
- 50 per cent of Ingolstadt refinery.
- Stinnes-Strohmeyer oil and coal distribution group.
- An option on Stinnes-Fanal concern, with over 1,000 filling stations and other distribtuion interests.

Veba gets:

- DM 800m in cash.
- A contract running from January 1, 1980, to January 1, 2000, for supply by the BP group, London, of 3m tonnes a year of crude at market prices. In times of shortfall, this crude to be treated no less favourably than supplies by BP to its own subsidiaries.

Following its 20 year contract with Sonatrach, the Algerian oil and gas agency, for 4.5bn cubic metres a year from 1985, Deutsche BP has built up a position of its own as a future supplier to the West German market that was not foreseen when the deal with Veba was first mooted in June last year.

Count Lambsdorff cited this yesterday as a further advantage from the deal, since it both introduces a fresh competitor into the gas market and also strengthens the web of wide-ranging long-term contracts for liquid natural gas supply which Ruhrgas and other companies have concluded well into the next century.

The political difficulties that have held up Count Lambsdorff's decision, on the other hand, have had less to do with these very long-term considerations of national energy supply than with the alarm felt in West Germany that Veba, the national energy giant, should give up its stake in Ruhrgas in favour of a foreign-owned multinational.

The Federal Cartel Office, the Monopolies Commission and a good many Social Democratic members of the Bundestag have expressed concern that both the managerial independence, of Ruhrgas and the relationship of gas as a fuel to oil would be turned inside out.

The strict conditions Count Lambsdorff has laid on voting weights within the Bergemann voting pool that controls Ruhrgas are intended to prevent dominance by the oil industry. Similarly, however, the Minister has taken care to prevent a majority of the Bergemann pool from passing to Ruhrkohle, the giant of the hard coal industry.

If there is a loser among the companies concerned, it is perhaps Ruhrkohle, whose attempts to safeguard the future market for coal-derived synthetic natural gas through private agreements with Deutsche BP attracted the displeasure of both the Cartel Office and the Competition Department of the European Commission.

Count Lamsdorff has, probably wisely in the West German context, ignored advice from the Monopolies Commission that he should make use of the Government's control of Veba to bring about the kind of deal it wanted. Yet to achieve the same result, he has been obliged to impose on the two companies much further-reaching and more detailed conditions than in any previous case.

The Economics Ministry does not enjoy, and probably does not want, powers to check up in detail how the consent order is carried out. But a precedent of much close involvement in the restructuring of a major industry has been set which will not be lost on other big companies thinking of getting into the merger game.

Soares restores his party's image

BY JIMMY BURNS IN LISBON

DR. MARIO SOARES, the forgotten man of Portuguese politics, remains the undisputed loader of Portugal's major Parliamentary force.

At last weekend's Congress of the Portuguese Socialist Party, Dr. Soares' 250 page assessment of the past, present and future of Portuguese politics was unanimously endorsed by the delegates present, indicating that the former Prime Minister will remain at the forefront of the country's political stage at least through the next general election.

Dr. Soares' personal victory was the most remarkable feature of a generally dull meeting. Yet his major achievement was precisely the reconciliation of the diverse tendencies within his party which some observers had gleefully predicted would erupt into impassioned and possibly destructive debate.

Dr. Mario Soares

The Socialists' divisions had become increasingly apparent in the days leading up to the congress, playing havoc within the party's own image of itself as the only solid political grouping in Portugal.

The division was over definition. Should the Socialist party present itself as the party of the Left, even if this meant a closer alliance with the pro-Soviet Communist party, as a purely electoral expedient, or should it move away from its Marxist programme and increasingly embrace a Social Democratic option, even if this meant a closer alliance with the Social Democrat party (PSD), the Socialists' traditional rival?

Dr. Soares left open both options without coming forcefully down on either. It was, most observers admitted, a remarkable show of rhetorical juggling.

There was no real difference between "Social Democracy in northern Europe" and "Democratic Socialism in southern Europe." Any attempt to separate the two was therefore artificial, according to Dr. Soares.

Yet no sooner had he said this, warning the "moderates" in the congress hall, than the Socialist leader went on to define his party in unequivocal terms as a "party of the Left" which rejected "Social Democratisation" as interpreted by Portugal's Social Democratic party (PSD).

Dr. Soares then urged his party not to ally itself with any other party until after the next elections, the timing of which he left as ambiguous as anything in his entire speech.

But it was on the potentially divisive issue of the country's constitution that a "compromise" appeared most apparent.

The text was not a "sacred doucment" and contained a number of "Utopian concepts" which would have to be dropped in the near future. Dr. Soares however came out strongly against any change that would alter the present "legal framework" of the country's economic structures, particularly regarding the nationalisation issue.

The Socialist leader thus separated himself from the Communist party's steadfast defence of the 1976 constitution, venerated as the legal enshrinement of the revolution, yet stopped short of agreeing openly with large sections of the Portguese political centre and Right who regard the text as contradictory within the context of Portugal's entry into the EEC.

On the issue of the Presidency, which last August led to so much personal animosity between the Socialist leadership and President Ramalho Eanes, Dr. Soares showed himself to some extent chastened by his experience. He did not openly for example attack the Presidentially backed Government of Independents as illegitimate as in the summer. Yet he balanced this by criticising any extension of Presidential powers in the future, adding that a civilian Head of State would probably insure Portuguese democracy better than a military one. President Eanes is a military man.

All told, the speech, widely accepted as the focal point of the three-day meeting, was the best example to date of the powers of rhetoric of this wily old fox of Portuguese politics.

Dr. Soares' pragmatism extended to what most political observers now see as the most pressing question in the short term: will the Socialist party allow the non-party Government of Dr. Carlos Mota Pinto to survive when it faces its crucial Parliamentary test over the budget and short term economic plan, later this month?

Here again, the Socialist leader played out a delicate balancing act between the more extreme members of his party who are urging for a more forceful opposition against the most conservative Portuguese Government since the revolution, and the moderates who are weary of Portugal's interminable political crises, and who prefer to wait for the next general election due in 1980.

Dr. Soares himself urged his congress to mark time rather than move all out against Dr. Mota Pinto and precipitate an election. He indicated though that his delegates should find it more difficult to maintain this moderation if the Government did not amend its pledges on three basic issues: the introduction of a new "tax" on the 13-month Christmas bonuses; cutbacks in Central Government spending on local finance; and the 18 per cent ceiling on salary increases.

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OVERSEAS NEWS

Tehran eases business fears

BY SIMON HENDERSON IN TEHRAN

IMMEDIATE FEARS among the remaining representatives of the Western business community in Iran over the new Government's financial policies have been eased by the first statements of the new Finance Minister and the head of the central bank.

Both Mr. Ali Ardalan at the Finance Ministry, and Mr. Mohammed Ali Mowlavi at the central bank, have made efforts to ensure that the prospect of an Islamic republic will not be immediately accompanied by the Koranic obligation to abolish interest payments or by similar radical changes to the banking system as demanded by several political groups.

Mr. Ardalan said recently that the present provisional Government had no plans to nationalise banking, and Mr. Mowlavi spoke sharply against the head of one bank for bringing up the subject of charging customers a commission instead of paying interest.

Neither man was well known before his appointment but both have good technocratic credentials and clearly are appointees of Mr. Medhi Bazargan, the Prime Minister, rather than the revolutionary committee around Ayatollah Khomeini. They thus remain vulnerable if the Iranian revolution should take a sudden, more radical, turn.

In such an eventuality, Mr. Ardalan, who as a taxation expert was a top Finance Ministry official even under the Shah's regime, could well be challenged by Mr. Abdol Hassan, Bani Sadr, a Marxist economist in his late 30s who was an aide to Khomeini in Paris. Mr. Bani Sadr's initial call for widespread nationalisation and import curbs is thought to have deterred Mr. Bazargan from considering him for a post.

Mr. Bani Sadr's luck could easily alter as the clash of systems—conventional Government versus revolutionary change — develops. Five days ago Dr. Ibrahim Yazdi, the influential Khomeini aide and Deputy Premier for Revolutionary Affairs, added his comment, saying a future Islamic government would introduce an interest free banking system in Iran which would revolutionise international banking.

A similar political threat is seen to endanger the central bank position of Mr. Mowlavi, an economist and former envoy to the EEC. The revolutionary committee which initially took control is still said to be influential. The desire for workers control and contempt for the old systems of authority have touched almost every aspect of Iranian official and business life.

Each of the two top men at the Finance Ministry and the central bank may be too much of a technocrat to protect his own position against political opposition. An indication of their professionalism emerged for Mr. Mowlavi on Saturday when he announced the new monetary policy and one may emerge for Mr. Ardalin before the end of March in the preparation of the new budget—probably a series of austerity measures.

Swiss refuse to freeze Pahlavi bank accounts

BY JOHN WICKS IN ZURICH

SWITZERLAND HAS refused to comply with the Iranian Government's request for Swiss bank accounts belonging to the Shah and his family to be frozen.

At a Press conference in Berne yesterday Dr. Kurt Furgler, the Minister of Justice, said that the Federal Council did not intend to block the accounts. The Government would not grant exceptional legal rights to Iran and felt that existing legal possibilities in Switzerland were sufficient.

This means that Berne has refused to take steps at government level but has pointed to civil proceedings as a possibility for the Tehran Government. The Iranians would have to prove a criminal act on the part of account-holders and would then be subject to a judge's findings.

Iranian bank holdings in Switzerland total only a fraction of the sum claimed by Tehran, according to a report presented to the Berne Government by the Swiss National Bank. On the basis of an inquiry involving 25 banks, together resonsible for 80 per cent of foreign banking business, the National Bank states that Iranian accounts added up to SwFr 1.03bn (£306.5m) at the end of 1978.

That was higher than the SwFr 927m recorded at December 31, 1977, but less than the SwFr 1.13bn for mid-1978. The accounts of Swiss banks with Iranian banks rose from SwFr 398m at the end of 1977 to SwFr 705m on June 30, 1978, to SwFr 532m on December 31. Thus the net sum fell to SwFr 506m at the end of 1978 from SwFr 705m six months earlier and SwFr 529m 12 months before.

S. Africa set to reject Namibia ceasefire plan

BY QUENTIN PEEL IN JOHANNESBURG

SOUTH AFRICA is preparing to reject two main recommendations of the UN plan for a ceasefire in Namibia (South-West Africa), although it may phrase this reply as a highly qualified acceptance, top officials indicated in Cape Town yesterday.

At the same time, the Democratic Turnhalle Alliance (DTA), the main Conservative and pro-South African organisation in Namibia, declared its intention of pressing for independence in defiance of the UN if the proposed cease-fire is not effected on March 15.

The deadline for a response to the UN plan from South Africa and the South-West Africa People's Organisation (SWAPO) is midnight in New York. The South African Cabinet began a meetting last night to formulate its reply.

But the DTA-dominated constituent assembly in Namibia which was briefed at length by Mr. P. W. Botha, South Africa's Prime Minister, and Mr. Pik Botha, the Foreign Minister, last week clearly indicated the likely response. The Assembly asked the South African Government to make no concessions allowing SWAPO bases to be established inside Namibia, as proposed by the UN.

The assembly also agreed that if the UN ceasefire was not implemented by March 15 — and the South African objections obviously make that a problem — the assembly would reconvene on April 2 "to consider the necessary steps to lead South West Africa to independence."

The other major objection to the UN plan is that it does not impose effective monitoring of SWAPO guerrilla bases in neighbouring countries, but leaves that up to the Angolan and Zambian Governments.

Rhodesia Minister leaves ZANU

By Tony Hawkins in Salisbury

DR. ELLIOT GABELLAH, joint Foreign Minister in Rhodesia's bi-racial transitional Government yesterday announced his resignation from the Rev. Ndabaningi Sithole's Zimabwe African National Union (ZANU), saying he could not reconcile his conscience with the tactics being used by ZANU to win support in the April elections.

Dr. Gabellah, however, said he would stay in the transitional Government until the elections, although political observers believe he will be forced to quit since interim Government posts are allocated to the party and not the individual.

Dr. Gabellah's name was absent from ZANU's list of 72 candidates that it has put up for the black seats in the one man, one vote elections.

Dr. Gabellah's resignation follows many recent accusations against ZANU of intimidation

Bhutto bid

By Chris Sherwell in Islamabad

ATTEMPTS to strike a political bargain between Mr. Zulfikar Ali Bhutto, Pakistan's condemned former prime minister and General Zianul-Haq, the country's military ruler, appear to have suffered an initial setback. Talks on the deal, which probably would involve commutation of Mr. Bhutto's death sentence in exchange for undertakings about his political future, began on Sunday night.

Mr. Abdul Hafeez Pirzada, a former Minister in Mr. Bhutto's Cabinet and a close associate of the former Premier, had separate meetings yesterday with two of the country's most senior army generals, Lt. Gen. F. A. Chishti and Maj. Gen. K. M. Arif.

Japan's economic growth will fall below 6%—survey

BY RICHARD C. HANSON IN TOKYO

THE LATEST survey of private fixed investment plans for fiscal 1979, conducted by the governmental Japan Development Bank, indicates that real economic growth for the year is likely to fall to 5-6 per cent, or well below the official growth target of 6.3 per cent.

The survey also shows that the private sector during the current fiscal year ending March, and the following year, from April, will continue to fund the more than three-quarters of such investment from internal sources, a bad sign for bankers. In most previous years the external sources provided about half of such private investment funds. Domestic bank loans for the manufacturing sector will be down the most.

As of February 1, the companies surveyed (representing about 30 per cent of total Japanese private fixed investment) said spending will increase only 0.3 per cent in fiscal 1979 to Y85,130bn (£20.8bn) following a 15.2 per cent rise estimated for fiscal 1978.

On the encouraging side, the manufacturing sector expects that 1979 spending will be up for the first time in four years, by 4.5 per cent compared with a decline of 2.2 per cent for the year to March.

The only industries showing declines next year are shipbuilding (minus 46.3 per cent), cement and glass (down 8.1 per cent) and general machinery (down 0.4 per cent). In 1978, half of the 12 manufacturing categories report investment will drop.

On the other hand, investment plans in the non-manufacturing sector are dropping at a disappointingly fast pace. Even government-controlled investment in the electric power industry (37-38 per cent of all spending) will show a decline of 3.2 per cent next year from a peak this year when the increase was a sharp 38.4 per cent.

Economists are particularly concerned over lower than expected spending plans in the construction and real estate sectors. They note that the impact on the economy of government public works spending has been diffused by concentration on smaller welfare-type rural projects.

An unofficial analysis of the survey figures that private capital spending (excluding housing) next year will rise, on a Gross National Product basis a nominal 7 per cent to 10 per cent, translating into the estimated 5 per cent to 6 per cent real growth for the GNP as a whole.

The growth rate of the economy next year also will be adversely affected by any drop in energy consumption which appears likely to occur. The Government's 6.3 per cent real GNP growth target for next year (6 per cent for the present year) presumes an increase in oil consumption of 3.6 per cent in 1979.

Economists at the Economic Planning Agency say that a 5 per cent decline in the consumption of oil next year could mean zero growth in output in the manufacturing and mining industrial sector. It is not yet clear how any fuel conservation will be distributed through the economy.

Singapore GDP grows by 8.6%

BY H. F. LEE IN SINGAPORE

SINGAPORE'S economy grew by 8.6 per cent last year, surpassing the 7.8 per cent achieved in 1977 and the 7-8 per cent forecast by local government and business leaders.

Disclosing this in its 1978 economic survey, the Singapore Finance Ministry described the 8.6 per cent increase in Gross Domestic Product in real terms to Singapore $10bn (£2.3bn) as "more than satisfactory."

The growth is the highest of the Asean countries. Thailand recorded an 8 per cent increase, Malaysia 7.5 per cent, Indonesia 7 per cent, and the Philippines 5.8 per cent.

Singapore's performance was modest, however, compared with its major export competitors—Taiwan, South Korea and Hong Kong, which recorded growth rates of 12.8, 12.5, and 10 per cent respectively.

Singapore's balance of payments also improved, the payments surplus increasing twofold to S$1.4bn, boosting official foreign reserves by 26 per cent to S$11.4bn.

Due to larger capital inflow and increased net earnings from services, the widening trade deficit, which rose 22 per cent to S$6.6bn, was more than fully compensated.

SINGAPORE HAS budgeted for total expenditure of S$5.9bn (£1.4bn) for the 1979 fiscal year, 3 per cent higher than the previous year, our Singapore correspondent reports. Mr. Goh Chok Tong, senior Minister of State for Finance, presented the budget to Parliament yesterday. A total of S$2.6bn, 43 per cent of the budget, has been earmarked for development, principally housing, economic services and infrastructure. Current expenditure is estimated at S$3.4bn, 12 per cent higher than for 1978.

Growth was reported in nearly all sectors of the economy, with the main impetus coming from the transport and communication, and manufacturing sectors.

The transport and communication sector kept its record as the fastest growing sector of the economy for the third consecutive year, expanding by 16.3 per cent.

The manufacturing sector expanded by 12 per cent, its best performance since the 1974 recession. The second largest source of growth, it contributed 28 per cent to the overall rise in the GDP.

The financial and business services sector grew by 8 per cent, but commerce sector expansion slipped to 7 per cent.

External trade increased by 15 per cent, to reach S$52.6bn—the lowest growth rate in three years.

After adjusting for price increases, real growth was 11 per cent, comparing favourably with the 10 per cent achieved in 1977 and the 5 per cent overall rise in world trade.

Export growth was less buoyant, increasing by 14 per cent to reach S$23bn, against 24 per cent previously. Adjusting for price increases, exports in real terms increased at a lower rate of 11 per cent against 16 per cent in 1977.

Amin prepares counter-attack

By John Worrall in Nairobi

UGANDA'S President Idi Amin appears to have given up hope of Organisation of African Unity (OAU) mediation in his conflict with Tanzania, according to diplomats in Kampala, and there are signs that he is mustering his forces for a counter-attack in southern Uganda.

Tanzanian troops and Ugandan exiles are occupying a large area of southern Uganda, including the towns of Masaka and Mbarara, but their drive towards Kampala seems to have halted, or to have run out of steam.

The diplomats said Amin's Army commanders appeared to have persuaded him to launch an offensive. His troops have been stiffened by some 1,000 Libyans who have been flown into Kampala from Tripoli.

President Amin has been heartened by the recapture of the Lubonge barracks at Tororo, which were attacked on Friday by the Forces of National Revolt (FNR) who raided the armoury and escaped with large quantities of arms and ammunition.

A force of Moslem troops from the Gaddafy Regiment, near Jinja, was rushed to Tororo, while another force came from Mortoro. President Amin also called in MiG fighters which flattened the barracks with rockets.

NZ price curbs to end

BY DAI HAYWARD IN WELLINGTON

THE NEW ZEALAND Government is gradually to lift price controls which have caused increasing distortions in the economy, according to Mr. Robert Muldoon, the Prime Minister.

The Government will retain the administrative machinery to penalise any trader who makes "excessive profits." Mr. Muldoon believes this will lead to increased competition, which in itself will regulate prices.

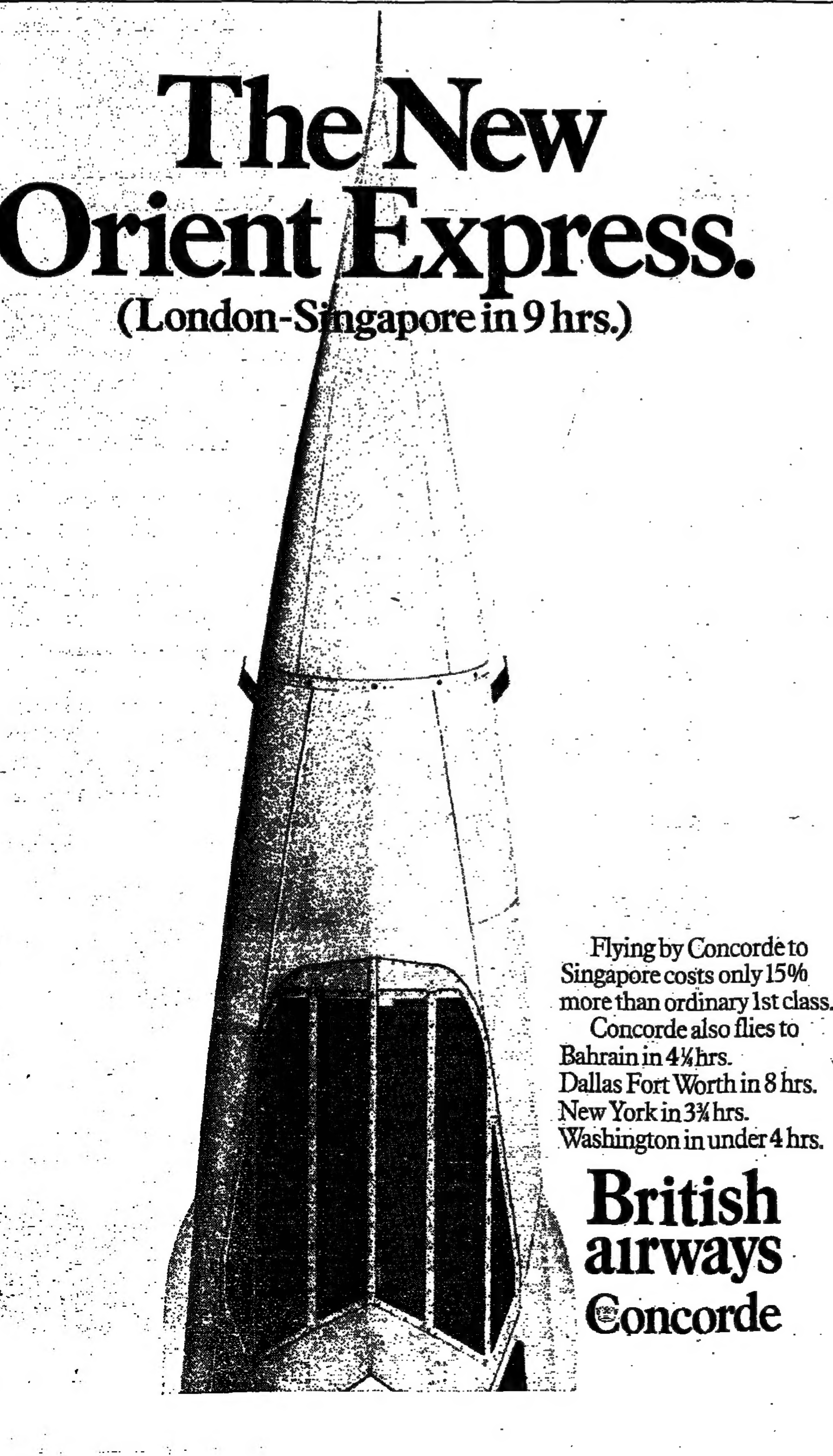
New Zealand also intends to change its policy and controls over overseas investment to attract more foreign capital. Stressing that the Government would not "sell out" New Zealand, the Prime Minister said the country needed overseas technological expertise to develop its resources.

The move to free price controls was recommended recently by the planning council, and also by a recent report by the Organisation for Economic Co-operation and Development (OECD) on the New Zealand economy.

Mr. Muldoon devoted a considerable portion of a weekend speech on the economy to criticism of the OECD and of its "brilliantly qualified economists sitting safe and secure in their marble palace in Paris."

To adopt some of the OECD and Planning Council proposals to relax import controls would "do untold harm" to New Zealand companies, employers and individuals.

"My Government does not propose to destroy efficient manufacturing industries employing thousands of workers because of some theory put forward by desk-bound advisers who have no fear of being put in jeopardy themselves from any cause whatsoever," declared Mr. Muldoon.



NY blacks accuse Koch of racialism

By John Wyles in New York

MAYOR EDWARD KOCH'S relations with a section of New York City's black community are a focus of increasing public concern following a demonstration which disrupted a "constituent hour" organised by the Mayor in Harlem at the weekend.

A strong police escort was needed to shepherd the Mayor out of the meeting at which up to 100 of the 500 people present chanted anti-Koch slogans accusing him of racism and disregard for the needs of the black community.

More specifically, many of the demonstrators were supporters of an attempt to force the recall of the Mayor by Mr. Vander Beatty, Brooklyn State Senator, who is chairman of the State's black and Puerto Rican legislative caucus.

The city's charter has no provision for ousting a mayor in mid-term and Senator Beatty is aiming to collect 50.000 signatures for a petition to put the necessary amendment to the charter to a public vote in November.

Among other things, the demonstration highlighted the fact that the Mayor has become the focus of black discontent over the impact of budget cuts forced on the city by its financial crisis.

In addition, feelings against the Mayor have been fanned by local black leaders who are exploiting residual anti-semitism in the black community.

Although Mayor Koch has been assiduously trying to build bridges with the city's black population since the start of the year, his efforts are greatly complicated by the lack of clear leadership among them.

The departure from the scene of Mr. Percy Sutton, former Manhattan borough president, after his failure to secure the mayoral nomination in September 1977, has left a leadership vacuum which no-one has yet started to fill.

Equally, Mr. Koch has been reluctant to appease black interests. Last month he appointed a Georgia-born black, Mr. Haskell Ward, as deputy Mayor for Human Services, despite warnings that Mr. Ward was not acceptable to a number of black leaders.

But the Mayor is insisting on making policy decisions and appointments on merit. One of Mr. Ward's tasks is to rationalise and clean up allegedly corrupt and wasteful social service programmes over which black organisations have had substantial influence and control.

Similarly, the city's budget problems are forcing closure of some hospitals which provide both services and employment for blacks.

One of the seamier aspects of the present conflict is the sotto voce anti-semitism evident in some of the attacks on the Mayor.

They started last summer when a black teenager was beaten by Hassidic Jews in Brooklyn and the Mayor was accused of not vigorously punishing the attackers.

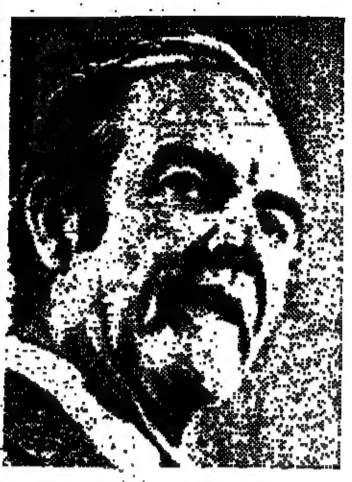
Liberal Senators warn Carter over SALT

BY DAVID BUCHAN IN WASHINGTON

THREE prominent Senators on the liberal wings of their two parties have warned President Carter that they now find the proposed SALT II arms treaty "very difficult, if not impossible," to support.

This is because, they say, the White House is going too far to placate Senate conservatives with new U.S. weapons programmes.

The joint statement by Republican Senator Mark Hatfield and two Democrats, Senators George McGovern and William Proxmire, constitutes the first stirrings of liberal opposition in the Senate to SALT-II, which the Administration hopes shortly to conclude with Moscow.



Senator George McGovern

It puts Mr. Carter on notice that he risks losing liberal votes by courting conservatives. The three Senators reminded the President that the margin for ratification of a SALT accord, which will require approval by two-thirds of the Senate, could be very tight—perhaps as little as three votes.

Last month, Mr. Carter said that the proposed SALT treaty would constrain the Soviet Union in certain aspects, while leaving the U.S. free to "pursue all the defence programmes we believe we may eventually need," including the controversial MX mobile missile project.

Great ironies

Senator Proxmire, the cost-conscious Senate Banking Committee chairman and scourge of defence spending, complained that "one of the great ironies of the proposed agreement is that it will make the world safe for the MX," which he estimated could cost as much as $30bn (£151m).

He and Senators McGovern and Hatfield feel SALT II would do too little to reduce the superpowers' nuclear arsenals.

Administration sources, however, argue that when it comes to a Senate vote on SALT, the liberals will have little choice but to oppose Senatorial hardliners and vote for the agreement.

They see merit in the emergence of liberal pressure to counteract thhe strong conservative lobby against the planned treaty.

Senator William Proxmire

Voyager passes Jupiter

PASADENA — Voyager 1 made its closest approach to Jupiter yesterday after 18 months in space. It then began its 20-month journey to Saturn.

Voyager's two television cameras transmitted pictures back to Earth, but one of Voyager's 11 scientific instruments developed a problem, and scientists ordered a temporary shutdown of the device, a photo-polarimeter, which was to measure chemical elements above Jupiter.

"We're always concerned when we have to turn an instrument off," Mr. E. Stone, a project scientist, said. "But we will be turning it back on . . . to determine whether the instrument will recover."

The failure occurred while the spacecraft was inside Jupiter's very intense radiation field, which may have caused the problem, Mr. Stone said.

Dr. Gary Hunt, of the Voyager photography team, said the results from the approach were outstanding and "the excitement is really tremendous" among National Aeronautics and Space Administration scientists.

Voyager's pictures showed in great detail the swirling clouds around Jupiter, and also produced several pictures which were suprisingly featureless. Dr. Hunt said the pictures were close-ups of brown spots which drift across Jupiter's surface.

Agencies.

Zaire hard currency being 'salted away'

BY DAVID BUCHAN IN WASHINGTON

THE Foreign Exchange earned by a large cobalt shipment has not been returned to Zaire, despite tighter controls to help Zaire's balance of payments introduced last year with the help of the International Monetary Fund (IMF), it has been confirmed in Washington. Cobalt, a valuable strategic mineral, is mined in Zaire's Shaba (formerly Katanga) province.

At the request of President Mobutu Sese Seko's Government, the IMF last year seconded a top foreign exchange expert, Herr Erwin Blumenthal, a former head of the Bundesbank's foreign exchange department, to take the number two job in the Zaire central bank. Herr Blumenthal, who is paid by the IMF but reports to the Zaire central bank governor, was charged with the task of tightening previously lax exchange controls. Much of Zaire's scarce foreign exchange earnings was believed to have been salted away in foreign bank accounts or invested in property abroad.

An IMF spokesman said yesterday that Herr Blumenthal's role was part of the technical assistance it often provides to member countries. His appointment was not a precondition of the fund agreeing to grant Zaire a stand-by loan. On the other hand, observers here believe that the two issues are intimately linked. IMF stand-by arrangements are specifically designed to help member countries cover temporary balance-of-payments deficits.

Top Zaire officials are now in Washington for this week's interim committee meeting of the IMF. But their presence has also been the occasion for renewed discissions on a stand-by loan, as has the presence here recently of Herr Blumenthal.

The IMF spokesman said the fund was unlikely to learn about individual foreign exchange developments from Herr Blumenthal, whose job was in the first instance to report to the Zaire central bank governor.

Michael Holman adds from Lusaka: Zambia has drawn a further SDR 25m tranche under the two-year SDR 315m IMF programme agreed on last March. The drawing, making a total of SDR 175m so far, follows successful talks in Washington earlier this year between Zambian officials and the IMF.

This week, Mr. Lloyd Sicholongo, permanent secretary in the Ministry of Finance, described the IMF credit as "of enormous benefit in assisting the stabilisation of our economy.

"Drawings on various facilities have proceeded according to the original schedules," he said. "This has meant that the IMF has been completely satisfied that our economic management in 1978 was good in terms of the objectives of the programme."

But Mr. Sicholongo warned that severe restrictions on imports would continue, and it was vital that transport bottlenecks be removed. He doubted that the recent sharp rises in copper prices would be sustained for long: "Much of the upward pressure has come from speculative sources," he said, and forecast a significant weakening later this year.

Dealing with the accumulation of arrears in payments for imports and remittance of profits and dividends, Mr. Sicholongo said he expected considerable improvement in 1979. Arrears had been rising steadily over the past three years.

CALIFORNIA FARM WORKERS' STRIKE

Violence in the lettuce fields

A BITTER Californian farming strike, in which one man has died and dozens have been injured, is testing the strength of Mr. Cesar Chavez's relatively young United Farm Workers Union (UFW). Mr. Chavez, who led the bloody, 20-year fight to unionise the Golden State's farm workers, is staking his reputation on the outcome.

The strike, which began on January 19, in America's "salad bowl," the Imperial Valley, is also likely to have a long-term effect on U.S. food prices. Nearly all the country's winter lettuce comes from Imperial Valley, a 3,000 sq. mile area along the California-Mexico border. More than one-third of the crop is ageing or rotting in the fields.

With more than 4,000 workers on strike at 10 farming companies, Mr. Chavez is now threatening to broaden his effort and possibly mount a nationwide lettuce boycott.

U.S. lettuce prices have more than doubled and growers who have been hit by the UFW say they are losing, collectively, $1m a day.

Cesar Chavez: Test of strength

The strike is unusually tense. Violent clashes have erupted several times as strike-breaking "Anglo" labour harvested winter crops, drawn from as far afield as Texas and Arizona by the growers' television and newspaper advertisements. Police used tear-gas and batons to beat back hundreds of rock-throwing UFW members, who are mostly Hispanic.

One incident left 25 people injured and 30 cars and buses used by strike-breakers damaged or in flames. And last month a 28-year-old UFW worker was shot through the head. Three men employed by the owner of the land on which the killing occurred have been charged with murder.

Mr. Cesar Chavez asked for peace in the fields after an emotional funeral for the victim. Growers, blaming Mr. Chavez for "orchestrating terrorism," asked Governor Brown to call out the National Guard. So far, only extra police and riot-control armoured cars have been despatched.

The UFW is demanding an increase in the minimum hourly wage for pickers from $3.70 to $5.25. Mr. Chavez says his UFW (which has had contracts in the Valley only since 1970) is "far behind other farming unions." He points to the Teamsters, who truck lettuce from the fields to cooling sheds for a minimum $7.38 an hour, and usually earn twice that working at piece rates.

Growers are making an all-out—and unusually united—effort to stop the UFW. A leading Los Angeles public relations firm was hired to present their case in TV "spots" and dramatically-worded newspaper advertisements. One, in the form of an open letter to "Cesar," accuses the union leader of mounting the strike because "you need the strife and conflict as an excuse to your dissatisfied workers for poor union services."

The advertisement goes on to tell Mr. Chavez that his "outrageous, grossly inflationary demands" amount to asking for a 200 per cent increase on the overall UFW contract, "for work that already pays between $4 and $13 an hour." Growers have offered only a 7 per cent increase.

The difference between what farm companies claim to be paying and what labourers say they are receiving is explained by widespread piece-rate work, which union officials admit can bring in "up to $8 an hour." But, says Mr. Chavez, a piece-rate stoop labourer is like an athlete, "he lasts about 10 years!" Thousands of hourly workers, mostly women and unskilled youngsters, receive the minimum, "and they work only about 800 to 1,000 hours a year, compared to 2,000 for a city worker."

WORLD TRADE NEWS

U.S. approaches Japan on aircraft leasing plan

BY YOKO SHIBATA IN TOKYO

THE U.S. is asking Japan to allow American airline companies to benefit from a scheme where Japan leases aircraft to foreign companies at favourable interest rates in order to rectify Japan's trade imbalance.

The U.S. Government has sent a letter to the Japanese Foreign Ministry on the matter and the U.S. Ambassador mentioned it in recent talks with the Prime Minister, Mr. Masayoshi Ohira. The Japanese Finance Ministry apparently has resisted allowing U.S. companies to take advantake of the deal because such a transaction would not show up as a debit in trade with the U.S.

The scheme enables Japanese leasing companies under an emergency import financing programme to use Export and Import Bank (Exim) foreign currency funds in buying aircraft and transferring them to another country's airline. In the case of the U.S., which has its biggest dificit in trade with Japan, guidelines apparently do not allow the transfer of ownership of a U.S.-built plane to a U.S. company to show in the trade statistics without actual transfer of goods from Japan.

Since the leasing system was introduced last summer, 14 cases (valued at $460m, £230m) have received permission from the Exim Bank and another eight are in the pipeline. Fifteen of the aircraft were U.S.-made, but have been leased to countries other than the U.S.

U.S. companies are dissatisfied with the cost advantage to European air carriers who have taken advantage of the scheme. The Exim Bank provides a 10-year loan at only 6 per cent per annum to the leasing company, which in turn charges 8.25 per cent a year to the customer—well below the rates charged by U.S. leasing companies.

The Japanese Government may adjust its stance on the matter before Prime Minister Ohira visits the U.S. this spring. There are no specific guidelines in the scheme which actually ban U.S. companies.

● Japan's colour television exports in January fell 46.8 per cent to 162.395 sets from 304,042 in December and were down 32.9 per cent from 242,019 in January last year following a sharp drop in shipments to the U.S., Reuter reports from Tokyo.

Blumenthal visit ends

TOKYO—The U.S. Treasury Secretary, Mr. Michael Blumenthal, left for home yesterday after talks with Japanese Government officials on trade with China.

Foreigner Minister Sunao Sonoda told Mr. Blumenthal it was essential that the U.S. and Japan did not try to exclude each other from the re-opening Chinese market, Japanese officials said.

Mr. Blumenthal, on a one-day stopover in Tokyo after spending a week in China, in turn warned Japan against offering China cut-rate loan deals which disrupt the Chinese market, the officials said.

Mr. Blumenthal last week initialled an agreement with Chinese officials which cleared the way for full trade relations between Washington and Peking.

Japan is negotiating with China over trade deals worth $20bn under an eight-year agreement reached last year.

Mr. Blumenthal said, in an interview published here, that the Bank of China will probably open a branch office in the U.S. this year.

He told a Press conference in Peking last week the bank has been invited to open an office in the U.S. and it indicated an intention to do so at an early date.

● The Bank of China has established full commercial banking relations with New York's Citibank, the world's second largest commercial bank, completing China's new link-up with all the major U.S. banks. Reuter

Polish rail project delayed

HEAVY RAINFALL and shortages of earth-moving equipment last year and now heavy snowfalls have led to delays on the construction of Poland's first broad gauge railway, the largest project the Polish state railways have undertaken since the war, Christopher Bobinski writes from Warsaw.

The 397 km long line, which is to link the Polish-Soviet border at Hrubieszow to the new Huta Katowice steelworks in South-west Poland, was to be completed by this December but as yet only 120 km of track has been laid as against the 200 km planned for December 1978.

The Soviet railway network is wider than the rail systems in the rest of Europe and the project aims at saving on costly transhipment of Soviet iron ore for the steelworks and Polish coal exports at the border.

Austrian ski sales rise

By Paul Lendvai in Vienna

AUSTRIA LAST year exported about 80 per cent of its skis output which totalled 3.4m pairs representing a total value of Sch. 2.3bn (about £85m). Exports accounted for 2.7m pairs (worth Sch 1.7bn.)

Although the number of skis sold abroad rose from 2.5m pairs in 1977 to 2.7m pairs, the export earnings remained stagnant at Sch 1.7bn. This was due to a higher proportion of exports of the cheaper cross country skis. While only 525,000 pairs of cross country skis were exported in 1977, representing an aggregate value of Sch 270m, the sales total abroad last year rose to 749,000 pairs worth Sch 345m.

During the same period the exports of Alpine skis dropped from 2m to 1.9m pairs and in value from Sch 1.42bn to Sch 1.34bn.

Romania deal

Dowty Boulton Paul has received from Romania an order worth more than £800,000 to supply powered flying control equipment for the Jurom fighter aircraft. The order has been placed with Dowty by Technoimportexport in Bucharest. This supplements an earlier £800,000 contract for a similar quantity of control equipment, received from Yugoslavia, which is a work-share partner with Romania in the Jurom aircraft.

E. Germany increases coal imports as mines freeze

BY GUY HAWTIN IN FRANKFURT

THIS YEAR'S harsh winter has prompted the German Democratic Republic to buy large quantities of coal from West Germany. So far the deals have been worth some $16.1m and further purchases could be possible if there is a new, prolonged snow-spell.

The problem for the GDR has been that the freezing weather has prevented the mining of the brown coal (or lignite) on which it depends for most of its power generation needs. When the ground is frozen, surfacing mining operations are virtually impossible.

Normally the GDR's brown coal stocks are sufficient to see it through the usual cold snaps. However, the winter this year was exceptionally hard and the unusually long cold spell meant that additional supplies were needed.

The beneficiary of the situation was Saarbergwerke, the state-owned coal mining concern, located in the economically-depressed Saarland. It is understood that they have delivered to the GDR some 120,000 tonnes of hard coal to cover the shortfall.

It seems likely that the GDR turned to the West Germans rather than their Comecon trade partners for supplies partly because transport costs were lower and partly because production from pits in countries such as Poland were probably committed.

Reports of a deal appeared in the West German Press some time ago, however, most journals reported the GDR's purchases as being coking coal and cited quantities in the region of 80,000 tonnes. On this basis, the reports appeared to confuse a long-established trade between the two German republics with a new deal.

Brown coal, which serves most of the GDR's energy needs, is not suitable for the manufacture of coking coal and for many years the Democratic Republic has had contracts with West German pits for the supply of coking coal for its steel industry.

This winter's purchases of coal from West Germany, however, were destined for the GDR's power stations. Though they are equipped to burn brown coal, no conversion is required for West Germany's hard coal.

Third World against concessions

BY BRIJ KHINDARIA IN GENEVA

THE WESTERN nations, particularly the Common Market, have been taken aback by the toughness of developing countries' reaction to their demands for an element of reciprocity in trade relations now being elaborated as part of the Tokyo Round of trade negotiations here.

The West has asked that the Third World countries should agree in principle to lower their own barriers to imports from richer nations when they begin to reach an advanced stage of development in some industries, and succeed in competing effectively with industrialised countries products.

The kinds of problems in the minds of Western negotiators are those created by high quality and cheap exports by some more advanced developing countries of products such as textiles, clothing, shoes, some electronic goods, household electrical implements and certain kinds of steel.

Some of these exports have already dealt a serious blow to domestic manufacturers in the West—Britain for example, has been heavily hit by Far Eastern textile products—while others will become important during the next decade.

The Community's suggestion is that such advanced developing nations should agree to hold consultations in the late 1980s and lowering import tariffs—after their eight-year tariff-cutting period which would begin next year if the Tokyo Round finishes this year.

Orders rise for Swiss machines

By John Wicks in Zurich

THE SWISS machine-building industry recorded a sharp rise in foreign orders in the fourth quarter of last year, according to the Association of Swiss Machinery Manufacturers.

The value of orders received from abroad by the machine-building and metal industries was up to SwFr 2.28bn (£676m) for the period. This was 24 per cent higher than in the third quarter, which had itself seen a sharp 22 per cent decline on the previous three-month period.

Despite the improvement in foreign demand, the foreign share in total new-order value was of only 62.5 per cent for the fourth quarter of 1978, compared with 69 per cent for the corresponding period of the previous year.

EMI scanners for China

Financial Times Reporter

EMI MEDICAL of Hayes, Middlesex has signed a contract worth over $1m with representatives of China for the supply of two EMI-Scanner computed tomography (CT) systems and an advanced radiation therapy planning system.

These will be the first general purpose CT scanners sold in China and the equipment is to be installed in the Cancer Institute of Peking.

The contract was signed in London by a Chinese purchasing delegation led by Mr. Chiang Ju-ken, deputy manager of 2nd Import Department, China National Chemicals Import and Export Corporation.

UK may grant £50m to Sudan

BY JAMES BUXTON

BRITAIN IS considering making a large grant to a power project in Sudan which would mean substantial orders for British companies. It is understood that the sum involved is about £50m.

The Overseas Development Ministry has told the Sudan Government that, subject to certain conditions, it will make a big contribution to a $250m (£125m) World Bank project for increasing Sudan's electricity supply.

The project is for increasing the power generating capacity at power stations in the Khartoum area and at the Roseires dam on the Blue Nile, which together form part of the Blue Nile grid system. The equipment includes diesel, steam and water turbine generating equipment, and transmission equipment.

Britain's contribution to the project depends on the receipt and acceptance of the World Bank's full appraisal of the project, on the funds being available at the time of commitment and on the ability of British manufacturers to produce the equipment needed.

At the end of last month Mr. John Tomlinson, Parliamentary Under-Secretary at the Ministry, discussed the scheme in London with the Sudanese Planning Minister, Mr. Nasr el-Din. He is now on a visit to Sudan.

Britain, which has stepped up its aid to Sudan in the past year to help the country through its pressing economic problems, has been seeking a "jumbo" aid project which would have a major impact. It now appears that the power project has been selected for this role.

The project is politically important to Sudan. Last summer very high temperatures caused high electricity demand which, combined with power generation difficulties, led to long power cuts. The fact that this coincided with fuel and food shortages seriously threatened the pro-Western Government of President Jaafar Mohammed Nimairi.

It is understood that the International Development Authority, a branch of the World Bank, is prepared to contribute $30m towards the project.

ITALIAN TRADE CENTRE

Hopes pinned to increased exports

BY RUPERT CORNWELL IN ROME

SOME TIME next year the glossy complex that will house the Italian arm of the World Trade Centre Association will be ready at Milanofiori, a few miles south west of Italy's business and commercial capital. But already, only a few months after Sig. Guido Carli, former Bank of Italy Governor and now president of Confindustria, the employers federation, laid the foundation of the new headquarters stone last July, the organisation is hard at work in its provisional headquarters at Via Brisa.

Italy is setting up its own offshoot of WTC somewhat late in the day, more than 10 years after the organisation was born in New York, and when 27 such centres are operational already across the world. Yet the decision to go ahead is further proof of the long-delayed but considerable help that Government and organised industry are now giving to Italian exporters.

The countrys' ability to export its way out of an economic mess has been often proved in the past. Most recently, in 1976 Italy seemed to be on the brink of economic disaster. Two years later, in 1978, it achieved its first trade surplus in a full year since 1942. The performance partly reflects favourable terms of trade, particularly the weakness of the dollar, but also the remarkable energy and success of Italy's export salesmen.

The best known of them, Sig. Rinaldo Ossola, the Trade Minister, has visited some 30 countries since he took office two years ago, while export credit facilities, and diplomatic support for exporters have been strongly stepped up. Now with impeccably private credentials, the Italian WTC has joined the campaign, geared to aid the myriad small and medium sized companies which together form the real backbone of the national economy.

The finished Milanofiori centre will in effect be a giant computer-dating service for exporters and importers, providing, it is envisaged, trade information on every conceivable kind at the press of a button, seven days a week, 24 hours a day. Some 10,000 people will work there, ideally to offer a service that Italy's entangled, official bureaucracy by nature cannot.

Foreign buyers will have immediate computerised access to the full range of goods on offer by companies associated with the WTC. In the other direction Italian exporters will be able to investigate future markets, obtain legal and customs advice, specification requirements, documentation, assistance and help with insurance, translation and other facilities.

Milanofiori will also come complete with a leisure centre and club, in the restored Visconti Castle nearby, dating from the 13th century.

In theory it looks perfect, but will it work? The question has to be asked because of the entrenched distrust of a country that still largely works along local and family lines for the superstructure of the centre, state-run or otherwise. Already the small and medium industries are organised along their own lines: often in *Consorzi* consortiums set up on either an ad hoc, or area basis by industry, to pool their efforts, especially in the export field.

Orders ri... for Swiss machines

By John Wicks in Zurich

EMI scann... for China

expor...

Gas chairman condemns policy changes

BY ROBIN REEVES, WELSH CORRESPONDENT

SIR DENIS ROOKE
Chairman of British Gas

A STRONG ATTACK on the Government's handling of the gas and other nationalised industres was made last night by Sir Denis Rooke, chairman of the British Gas Corporation.

He accused the Government of "repeated changes in policies, as often as not reflecting short-term political expediency, which make the task of consistent management almost impossble.

"The nationalised industries have been expected to keep open out-dated plant in order to prevent unemployment, to maintan services that are little used or to expend capital on plant that the appreciation of market demand does not justify."

Then the nationalised industries were held responsible for the financial shambles that inevitably resulted, and the social consequences. What is needed is a self-denying ordinance on the part of politicians," he said.

Sir Denis, who was addressing the Cardiff Business Club, did not accept for one minute that nationalised industries were not subject to adequate provision. Their real need was for clear and quantifiable objectives, he said.

The gas industry's financial target of a 6.5 per cent return on turnover, set by the Government just before Christmas, was a step in the right direction. But he was deeply critical that it had been arrived at without proper consultation and was intended to apply to 1979-80 only. "This is not the sort of thing the corporation has been asking for," he said.

"What we want is a target on a rolling basis, covering several years, which will provide a framework for planning more than one year ahead and would allow us to even out variations from year to year."

Sir Denis confirmed that the corporation had applied to the Price Commission for an increase in tariffs from April 1—believed to be between 8 and 10 per cent—although its profit in the current financial year would be significantly above the £180m profit for 1977-78.

The tariff increase would be the first for two years and had been made all the more necessary by the Government's decision to raise their financial target from 4 per cent to 6.5 per cent on turnover to prevent a widening in the price differential between gas and other fuels, he stressed.

Increased cash for inner-city 'partners'

BY PAUL TAYLOR

THE SEVEN inner-city partnership areas in England and Wales will be given £19m more in Government aid in 1980-81, Mr. Peter Shore, the Environment Secretary, said yesterday. The additional funds are a 25 per cent growth in real terms over those available in 1979-80.

In 1979-80 the inner-city parnership areas will receive £73.6m, at 1978 survey prices, in urban programme grants. Mr. Shore, answering a Parliamentary question, said the additional funds were necessary to "maintain the momentum" of inner-city policy.

The partnership areas are the main plank of the Government's policy to revive the rundown inner-city areas in England and Wales, set out in the 1977 White Paper Policy for Inner Cities.

The areas are those in which since publication of the White Paper, seven partnerships between central government and local authorities have been set up. All have now completed the initial task of drawings up programmes for tackling their particular problems.

The partnership areas are Liverpool; Manchester/Salford; Birmingham; Newcastle/Gateshead; London docklands; Hackney/Islington; and Lambeth.

Under the programme London docklands receive the largest share of the special grants, £16.3m in 1979-80, rising to £20.4m in 1980-81.

Britain bans Uganda Airlines freight flights to Kampala

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE UK Government has told Uganda Airlines that it will no longer be allowed to carry freight on flights out of the UK.

While there is no ban on the airline bringing freight into this country, the fact that it will no longer be able to pick up export cargoes here seems likely to halt its flights to and from Britain.

Uganda Airlines made about 90 flights last year between Stansted Airport, Essex, and Uganda and 12 in the first two months of this year, using a Boeing 707.

The flights carried a wide variety of goods, including industrial and construction equipment, spare parts, medical and educational supplies, consumer durables and luxury goods such as alcohol.

Claims that some of the flights had been carrying arms for Uganda have always been strenuously denied by the airline's representatives in the UK. Ugandan exports to Britain carried by the airline have included coffee.

No reason was given for the ban on the carrying of export cargoes, but it is a political decision taken by the Government and not by the Department of Trade alone.

It was made clear some time ago that the flights were being reviewed by ministers because of public criticism against them arising from Uganda's attitude to the UK.

The flights affected are all non-scheduled freight trips. There are no direct passenger air services by Uganda Airlines between Kampala and the UK and British Airways does not serve Uganda.

Howell insurance subsidiary inquiries

By John Moore

THE CITY of London Police fraud squad is investigating irregulatories in a subsidiary of D. O. Howell, a Lloyd's of London insurance broker.

The subsidiary is D. O. Howell (U.K.), a company that specialised in the placing of motor insurance business for commercial vehicles.

The fraud squad started its investigations, under the supervision of Detective Superintendent E. C. Bransgrove, towards the end of last year after receiving a complaint. It declined to indicate the specific area of its inquiries but said yesterday that it "was investigating some irregularities."

Lloyd's suspended D. O. Howell, the parent company, last August from placing business at Lloyd's after the disclosure of irregularities involving many commercial motor policies.

It said in a statement at the time that D. O. Howell (UK), the subsidiary, "had issued extensions which purport to include accidental damage, fire and theft to a substantial number of mainly third-party commercial motor policies.

"Assureds holding these policies are advised that is is doubtful whether proper insurance cover exists for these extensions."

D. O. Howell (UK) went into voluntary liquidation last December after insurance companies refused to pay claims of about £325,000. The company also faced possible large claims for the return to policyholders of premiums on the doubtful cover.

Tough new lorry load laws likely

BY LYNTON McLAIN

TOUGH new regulations on transporting dangerous materials by road are proposed in a consultative document published today by the Health and Safety Commission.

The regulations will cover substances carried privately or for leisure, and the design, construction and maintenance of all vehicles used in transporting dangerous substances. Small packages and containers as well as large road tankers are included by the proposed regulations.

The draft proposals incorporate and extend the new road tanker labelling regulations which come into force on March 28. These lay down minimum requirements for the orange, black and white hazard warning panels.

The latest proposals, if accepted by the Government, will call for warning panels to be fitted on all vehicles carrying hazardous substances, including vans carrying small packs or large volumes of such products.

The idea of tighter controls has already been fully backed by the Government. Mr. William Rodgers, Transport Secretary, said when he announced the Health and Safety Commission study into new proposals, that he hoped the controls would be enforced no later than this summer.

This timetable now looks unlikely. The Health and Safety Commission said yesterday that interested parties had until June 29 to submit their comments on the proposals. Regulations would then probably be laid before Parliament after the summer.

The proposals lay down eight major hazard groups. These are then sub-divided into three classes, with each group having typical hazard risks in common.

Proposals for dangerous substances (Conveyance by Road) Regulations; SO; £2 plus postage.

Government plans 'temporary dons'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

SECONDMENT of temporary lecturers from industry, commerce and the professions was suggested by the Government yesterday to help cope with a short-term peak in student numbers in the mid-1980s.

The Department of Education and Science has acknowledged that demand for student places in universities and polytechnics seems unlikely to reach the previously projected peak of 600,000 before demand starts to decline steeply because of reduced birthrates.

In the Department's revised estimates, demand could well rise no higher than the 560,000 places already planned for 1982-83.

Mrs. Shirley Williams, Secretary for Education and Science, said in London yesterday that she still hoped that increased demand by older people for higher eucation would help solve the problem of surplus capacity for students when the number of 18-year-olds declined after the late 1980s.

● Steps to free many middle-income families of the cost of their children's higher education will be advocated by the National Union of Students today as part of its claim for a 40 per cent total increase in provision for students' grants.

The NUS wants the "ceiling" of residual income above which parents are supposed to contribute toward students' living costs increased from the present £3,800 a year to £6,000, which represents a gross income of roughly £7,500.

The age at which they are deemed independent of their parents should be lowered from 25 to 21, the NUS says.

'Palace' ruins sold for £4.5m

By Christine Moir

THE RUINS of the Palace of Engineering, built for the Empire Exhibition of 1922, have been sold for £4.5m. The identity of the new owners has not yet been disclosed.

The palace which occupies a 16-acre site next to Wembley Stadium in London, is owned by the Wembley Trust and is run by British Electric Traction, which comprises a quarter of the company.

The other three partners in the trust are property companies—Town and City Properties, Allnatt London Properties, and Warnford Investments.

The Wembley Trust bought the site in the early 1960s for £700,000. At that time the Post Office was using the crumbling building, but it moved out when the roof threatened to collapse.

The roof was removed and the building was scheduled for demolition and redevelopment by the Ronald Lyon group which has been given a building lease by Wembley Trust.

The collapse of Ronald Lyon in 1974 halted the plan.

Spending on food increases sharply

FINANCIAL TIMES REPORTER

SPENDING ON food increased sharply in January, but sales of durable goods fell, probably because of the effects of the lorry drivers' strike.

According to final retail trade statistics for January, published yesterday by the Department of Trade, the volume of trade fell overall by more than 4 per cent, compared with December, to a level below that of the second half of last year. The food sales increase was more than offset by a sharp fall in sales of non-food shops.

In the three months from November to January the overall volume of sales was 1 per cent higher than in the previous three months. The volume of sales by food shops in the period was 3 per cent higher. Sales by clothing and footwear and durable goods shops show little change over the three months, while sales of other non-food shops fell by 1 per cent.

New instalment credit worth £491m was advanced by finance houses and in hire-purchase loans by department stores in January, after taking in seasonal factors. Lending by finance houses alone was higher than in December, but lower than November. On the other hand, hire-purchase loans were higher than in recent months.

Total advances in the latest three months, November to January, were about the same as in the previous three months. Lending by finance houses decreased by 1 per cent, but lending by hire-purchase loans was 2 per cent ahead.

HIRE PURCHASE CREDIT AND RETAIL SALES
(Seasonally adjusted)

	New credit extended by: Finance Houses	New credit extended by: Retailers	Total debt outstanding (unadjusted)	Retail Volume (revised): Total	Retail Volume (revised): Durable goods shops
	£m	£m	£m	(1970=100)	
1976 1st	340	493	2,349	105.9	117
2nd	382	490	2,424	106.7	122
3rd	392	521	2,516	107.2	125
4th	421	547	2,716	106.1	126
1977 1st	457	550	2,792	103.3	115
2nd	486	561	2,930	102.4	118
3rd	544	605	3,108	104.2	121
4th	585	604	3,341	104.7	122
1978 1st	630	633	3,507	106.4	124
2nd	722	676	3,797	107.9	129
3rd	705	724	4,030	110.7	134
4th	726	699	4,300	111.7	134
August	253	240	3,953	111.7	133
September	238	240	4,030	109.6	133
October	243	227	4,109	110.2	132
November	263	243	4,238	110.5	132
December	220	229	4,300	113.8	137
1979 January	241	250	4,317	109.6	127

Source: Department of Trade

Conversion steals Ideal Home show

By Lucia van der Post

PRINCESS ANNE opened the 71st Daily Mail Ideal Home Exhibition in London yesterday and those who had fears about its move to the larger setting of Earl's Court can rest assured.

In an uncertain and changing world the Ideal Home show stays much the same. Themes may come and go, but through it all the mixture is virtually unchanged.

On the ground floor, all the nationalised industries are present in force.

The Solid Fuel Advisory Service tempts us with its ye olde worlde replicas, its vision of warmth and cosiness, while over the road there is the British Gas Pavilion (the only occasion, apparently, when the public can see every domestic gas appliance under one roof) and nearby the Electricity Council tells us that electricity is, after all, the best buy.

Among the best displays is the Greater London Council's demonstration of how, old rundown Victorian terraces can be rescued and turned into charming homes.

New world

The rooms present the main problems — they are too dark, too small, have a bad outlook, are dominated by ugly fireplaces, and lack decent storage.

From the cobweb-ridden interior of the run-down terrace you turn into the bright new world of the modernised version—the work of Bentalls and the GLC.

One of the perennial charms of the Ideal Home Show is the furnished houses. They appeal to us all and offer a glimpse of how the other half lives. The best of these are furnished by Habitat and Woman magazine.

Habitat products are displayed in complete home settings so that apart from admiring the quality of design, one can see how the wallpaper, the fabric, or the wall storage can be arranged best.

I often find the most pleasure in the small, retiring stands you have to search out. There is a tiny Japanese stand—an oasis of calm and peace—with nothing but some straw matting on the floor, a tranquil painting or two, some flowers, a large table and two cushions. It was the most attractive room in the place.

Lack of data 'hitting nuclear waste policy'

BY DAVID FISHLOCK, SCIENCE EDITOR

THE GOVERNMENT has been warned by an advisory committee set up last year that unless scientists are allowed to continue their geological research it will be unable to give useful advice on the disposal of radioactive wastes.

The Advisory Committee on Radioactive Waste Management, in a letter to Mr. Peter Shore, Environment Secretary, says that local objections to test drillings by scientists are misplaced and founded on fundamental misunderstandings of the purpose and nature of the work.

Sir Denys Wilkinson, vice-chancellor of the University of Sussex and chairman of the committee, says in his letter that he is not trying to intervene in matters which must be dealt with through the planning procedures.

"I simply thought it essential to make quite plain the position of the Advisory Committee on this matter, and to emphasise that we will be unable to give worthwhile and well-informed advice on policy for the disposal of radioactive wastes in the absence of sufficient data from research."

The purpose of the test borings is to assess the suitability of various rock formations around Britain as potential repositories for ingots of highly radio-active nuclear waste.

The committee was set up last May, in response to recommendations in the Flowers report on nuclear power in Britain, to provide the Government with independent advice on the management of the nuclear industry's wastes.

The geological research programme is run by the UK Atomic Energy Authority, which would like to examine about 20 different rock formations. This means drilling deep into the rock, then instrumenting the borehole and monitoring it for several years.

Planning permission is needed before any borehole can be sunk in the UK. Of four planning applications made by the authority, only one—in Caithness, Scotland — has been granted.

It is appealing against the refusal of permission for drilling at two sites in the Cheviots, and considering an appeal against a similar decision on a site near Loch Doon.

Whitehall controls come under fire

BY PAUL TAYLOR

CHANGES must be made to the bureaucratic system of central government controls over local councils, the local authority associations told the Government yesterday. Many of these controls are unnecessary and should be dropped said a report by the Association of County Councils, the Association of District Councils, and the Association of Metropolitan Authorities.

The report speaks of time-consuming, costly, wasteful, and unnecessary controls placed on local authorities by central government, and calls for an urgent re-think on the degree of Whitehall interference required.

It was prepared at the request of Mr. Peter Shore, the Environment Secretary.

The three associations, all Conservative-controlled, call for "sympathetic consideration to the case for major new efforts towards relaxation of central controls," and asks that officials be authorised to begin discussions on how this objective can be achieved.

It has taken the associations a year to produce the report, which they claim shows a "nightmare world of bureaucratic controls" numbering at a conservative estimate over 1,000.

It complains of 227 forms must be filled in on financial matters, and Government circulars by the score which offer "grandmotherly advice" on such things as the right price for a cup of tea in a police canteen.

More than 700 rules and regulations give Ministers power to dictate orders to councils on such matters as type of post for road signs, and size of rungs in cattle grids.

GLC interest in review of Maplin airport plan

THE Greater London Council is interested in studying with Essex County Council the possibility of reviving the plan for an airport on reclaimed land at Maplin, off the Essex coast.

A proposal for a joint feasibility study will be put to the GLC's Planning and Communications Policy Committee tomorrow.

The original plan for a two-runway airport at Maplin, to ease the growing congestion at Heathrow and other inland airports, was cancelled in 1974, in the wake of the oil crisis and subsequent industrial recession, because of its cost — at that time estimated at more than £500m—and uncertainties about traffic growth.

The scheme now envisaged would be much more modest but still cost about £220m.

Tax deposit rate lowered

By Michael Lafferty

THE RATE of interest applicable to certificates of tax deposit has been reduced from 13½ to 13 per cent. The certificates may be used for paying future tax bills—or simply as an investment instrument. In the latter case, the lower interest rate of 10 per cent applies.

The interest is subject to tax in the normal way, but one of the features of the certificate is that the interest rate prevailing at the date of purchase applies for the following two years.

Planning forum for local authorities

THE GOVERNMENT has accepted proposals from the three main local authority associations for a national development control forum to monitor planning matters and give advice.

The forum, based on the existing structure of local inter-authority planning liaison groups, was first proposed by the local authorities in November. It was seen as an attempt to head off pressure from MPs for a more rigid system of control involving planning assessors.

The acceptance by Mr. Peter Shore, Environment Secretary, of a forum structure—without a regional tier—means that the local authorities have avoided losing any of their independence as planning authorities.

The main function of the national forum will be to consider practical problems arising from development control legislation and, in a consultative capacity, suggest solutions.

Car premiums rise 4.7% says Quotel

MOTOR INSURANCE premiums rose by 4.7 per cent on average from mid-November to the end of January according to the Quotel Motor Index.

The index for January was 151.4, against 144.6 in November and 128.9 in February 1978—a rise of 17.4 per cent over the past 11 months. The index was started at 100 in May 1976.

Quotel provides a computer-based insurance information service to brokers designed to give the latest rates on a variety of insurance premiums.

The analysis of rate changes by region over the period shows a comparatively uniform rise through the country. The rates applicable to Cornwall rose by 5.6 per cent, while those for Central Glasgow by only 3.9 per cent.

Company planning work comes under study

MR. ALAN WILLIAMS, Industry Minister, yesterday announced a study into the relationship between Government and company planning activities.

Mr. Williams said he hoped the study, by the Society for Long-range Planning, would be the first of a series.

The first study, by Mr. Aubrey Jones, vice-president of the Society, is comparing the relationships between Government and companies in western Europe, including the UK. It was commissioned late last year, and should be completed by the end of June. The £25,000 cost is being met by the Department of Industry.

The report will be circulated widely, and after industry has had the chance to comment, the French Government may take the study a stage further. Other countries which might be studied include Japan and the U.S.

● HEWS ANALYSIS—DRUG PRICING

Have producers shut the door too late?

BY SUE CAMERON

THE TOUGH LINE now being taken by most of the major drug companies on resale price maintenance raises the question of whether or not the present system is necessary or effective.

Last week, Smith Kline and French, the U.S.-based pharmaceutical group, and Beecham, the UK medicine manufacturer, both started putting pressure on Macarthys, one of Britain's biggest drug wholesalers, to toe the line on resale price maintenance. Smith Kline actually stopped all drug supplies to Macarthys and a few weeks ago it took similar action against two other pharmaceutical wholesalers—Sangers and Barclay.

The resale price maintenance system bans pharmaceutical wholesalers and retailers from selling medicines at lower prices than those laid down by the manufacturer. Resale price maintenance was abolished for nearly all goods in 1964 but its continuing use in the case of drugs was upheld by the Restrictive Practices Court in 1970.

The main argument put before the court was that pharmaceutical resale price maintenance would ensure a better service for patients. There were fears that its abolition would lead to a price war between wholesalers who would then cut down the number of deliveries they made to retail chemists and would also stop stocking some of the slower-moving, rarer medicines and the sick would have to wait longer to obtain vital drugs.

Big drug companies such as Smith Kline, Beecham, the Swiss-based Hoffmann La Roche and UK-based Glaxo, still stress these reasons for continuing price maintenance on drugs. Glaxo and La Roche also say that the system is in the interests of retail chemists—particularly in the field of over-the-counter drugs.

They claim that if supermarkets were allowed to introduce competitive prices for over-the counter medicines such as cough mixtures and pain killers then corner chemists would lose business even faster than at present. Figures from the Pharmaceutical Society show that on the last four years, 737 pharmacies have closed down—and the number takes new chemist shops that have opened into account.

The result is that patients sometimes have to travel much further to obtain drugs on prescription which cannot be stocked by supermarkets or general stores. This is one reason why the Society backs the continuation of resale price maintenance on drugs.

The big drawback to the system is that it is extremely difficult to enforce. Few wholesalers actually break the scheme directly but they have found a number of loopholes. Some give customers longer credit periods while others discount non-RPM goods against a total account value.

For example, a wholesaler may tell a customer that it will give him a discount on, say £200-000 of toiletries, provided he also buys £200,000 worth of non-discounted drugs.

Major wholesalers, such as Macarthys, say their smaller competitors have been circumventing Resale Price Maintenance in these ways and that they have lost business as a result. They have therefore tended to take the attitude that if they cannot beat them they might as well join them.

Macarthys says it is basically in favour of the scheme for the same reasons as the drug manufacturers. But it points out there is no evidence of any reduction in service to patients in other European countries and in the U.S. where there is no pharmaceutical resale price maintenance.

The company also says that while the drug producers may be able to tighten up the system temporally by, putting the squeeze on wholsesalers, the inherent weaknesses in the scheme will ultimately mean that it will be breached again. Macarthys claims that RPM has already "effectively broken down."

This view is endorsed by Unichem, another major UK wholesaler, whose profits all go into small retail chemist businesses bacause the company is a friendly society incorporated under the Industrial and Provident Societies Act.

Unichem stresses that RPM can only be enforced by the drug manufacturers and the wholesalers themselves cannot take action against discount "pirates." As a result, they either have to breach the spirit of the scheme or lose business. The company adds that it has taken over a number of smaller wholesalers during the last few years and it has found that many of them were breaking the system.

"It is only when the little boys stop giving discounts that the system will really work," said Unichem, which has itself been under pressure from some of the big drug manufacturers over RPM. But it points out that it is "very easy to give discounts that cannot be detected."

In the last few months, most of the big drug manufacturers have tightened up their contracts with the major wholesalers so as to ensure adherence to both the spirit and the letter of resale price maintenance. But however desirable the pharmaceutical scheme may be in theory, both the drug producers and the wholesalers seem to agree that it is extremely hard to police. Unichem may therefore have a strong point when it claims that all the drug companies are doing now is "shutting the stable door after the horse has bolted."

Option charge to be revised

BY JAMES BARTHOLOMEW

THE London Stock Exchange is considering a complete change to the way in which commissions are charged on traded options. The purpose of the change is to simplify the system and end disproportionately high charges on certain deals. The exchange hopes this will encourage turnover, which reached record levels last week.

The charge is currently £2.75 per option contract plus 2½ per cent on the first £5,000 of option money, 1½ per cent on the next £5,000 and 1 per cent on the excess. A traded option contract confers the right to buy 1,000 shares in a given company at a predetermined price.

Under the new system, the fixed charge per option contract would be abolished. The commission would simply be a percentage of the option money, starting, perhaps, at about 5 per cent on the first £500 of option money and falling to 1½ per cent on amounts over £5,000. The details are not yet decided and the whole change would need to be agreed by the Stock Exchange Council.

The fault of the existing system is that the fixed rate charge per contract makes commission on low price options disproportionately heavy. For example, on a contract costing only £10, the effective rate is at least 28½ per cent. This could be discouraging institutional investors who might otherwise be buying or selling many more than one such contract.

The importance of commissions to turnover has recently been illustrated on the European Options Exchange. Two weeks ago, turnover there fell in anticipation of lower commission rates and then doubled when the new rates came into operation.

Once the Stock Exchange has decided on new rates for London, it will embark on a publicity drive. Three new booklets on the traded options market will be issued. One will introduce to the market, the second will describe possible dealing strategies and a third, primarily for stockbrokers, will describe the clearing system.

Seminars will be held for stockbrokers using video-cassette tape and it is hoped the brokers will then use the tapes to instruct clients.

Private clients and major institutions have not so far used the traded options market as much as was originally hoped. This has been blamed primarily on the harsh tax treatment of options. The Stock Exchange has canvassed for a change to the tax in the coming budget but is not confident of success.

Last week turnover reached new peaks, two days in succession, on the back of the sharp rise in the stock market.

Britannia group leads unit trust top performers

By Eamonn Fingleton

FUNDS specialising in mining and commodity shares dominate the league table of top unit trust performers for the first two months of 1979, Planned Savings magazine said yesterday.

The two best performers are the Britannia group's Gold and General and Minerals funds, showing growth respectively of 25.5 per cent and 24.7 per cent. Britannia has three other funds in the top ten—its New Issues, Commodity and Property Shares funds.

Other commodity funds in the top ten are run by the Target, Gartmore, Save and Prosper and Chieftain groups. Schleisinger's Property Shares fund was in third place.

Mr. Stuart Goldsmith, investment director of Britannia, commented: "We are delighted with the figures so far but it is, of course, early days. Our two best funds are invested exclusively in gold shares. Property shares have done well from the change in the outlook for interest rates

Rising Star makes life hard for rival papers

BY MAX WILKINSON

THE DAILY Mirror expects its profit to be reduced by about £3m a year because of competitive pressure from Express Newspapers' new tabloid the Daily Star.

Mr. Percy Roberts, chief executive of Mirror Group Newspapers, has told a conference of young printing managers that between last October, when the Star was launched in the North, and this month the Mirror has had to bear extra costs of £1.33m to combat its rival.

"We believe that in a full year on current performance the existence of the Star could cost the Daily Mirror a loss of profit of £3m," he said. The loss to The Sun must be at least as much.

"The burden would be easier to bear if we believed that the Star was profitable," Mr. Roberts said. "I have seen no claim that it is. The way it is going, it is difficult to see how it ever will be."

On the basis of private surveys the Mirror believes that the Star's circulation in the North and Midlands is about 455,000 copies a day. Of that total, Mr. Roberts said, between 340,000 and 370,000 copies represented readers won from the Mirror, The Sun, the Daily Express, and the Daily Mail.

The Mirror has lost about 100,000 readers and estimates The Sun's loss at between 140,000 and 150,000, and that of the Express and the Mail at about 50,000 each.

Mr. Roberts maintained that the Star, at 6p, had achieved most of its circulation by undercutting its rivals on price; "80 per cent of the sale of the Star had been 'stolen' from other newspapers," he said. "The Star has got its circulation not by editorial excellence, not by its paging or by superior distribution arrangements, but purely on price. If this were not so, how could the Daily Mail, by any standards an excellent tabloid, lose 50,000 to the Star?"

One serious effect of the Star's emergence was the large increase in printing wages in Manchester.

"We believe that machine-room men in Express Newspapers in Manchester are taking home £310 a week for five days' work," Mr. Roberts said.

Mr. Roberts added: "There is no way the Daily Mirror or the Sunday Mirror can continue to print in Manchester if we are forced to pay the rates now being paid by Express Newspapers."

Research plan for small businesses

By David Fishlock, Science Editor

THE GOVERNMENT has plans for a "Small Enterprise Board," complementing the activities of the National Research Development Corporation, by giving support to entrepreneurs.

The Government recognised the need for such help in regenerating industry in its last Budget, and took steps to assist the small businessman, Mrs. Shirley Williams, Secretary for Science, told the Association of British Science Writers in London yesterday.

The NRDC last week announced a new campaign to attract more inventions, and declared its readiness to finance innovation on a broader industrial front and the recent Cabinet Office paper on innovation, said Mrs. Williams, had pinpointed the difficulties in having inventions taken up commercially in Britain.

For every ten British companies which took up a new idea quickly there were another 1,000 "who haven't a clue." She had been struck by the kind of help available to the innovating groups of people from The Netherlands to California.

The White Paper on Government Research and Development, expected tomorrow, has accepted the advice of the Science Secretary's Advisory Board for the Research Councils. This board, which guides the Government on the spending of a science vote of about £260m this year, said recently that the growth rate of science should be sustained at not less than 4 per cent a year, in real terms and has urged that no more of the science vote should be transferred from research council control to departmental control.

It has also warned departments not to fail to place funds transferred to their control, as the Department of Health did last year.

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NUPE staff may reject health pay formula

BY CHRISTIAN TYLER, LABOUR EDITOR

FURTHER EVIDENCE of serious discontent in the health and ambulance services came yesterday on the eve of the results of a national vote by public-service workers on the Government's offer of 9 per cent more pay and a comparability study.

Continuing action in most National Health Service hospitals, with total stoppages by ancillary workers in some places, suggests that NHS members of the National Union of Public Employees will reject the offer.

NUPE ambulancemen in Northern Ireland threatened yesterday to begin a five-day strike from tomorrow, which would leave only police and voluntary cover. Ulster's Department of Health is worried that its contingency plans would be unable to cope with a major terrorist incident.

NUPE members are limiting the number of blood donors at the biggest blood transfusion centre in the country, at Tooting, south London, which supplies 110 hospitals.

Attempts to end a strike by 1,500 ancillary workers whose action has disrupted 10 Liverpool hospitals...

In some cases NUPE members are refusing to provide emergency cover which the union and the TUC have both said must be given, and the union is concerned about some loss of control.

Mr. Ken Graham, assistant general secretary of the TUC, told a conference of health authorities in London that effective procedures were urgently needed in the health service, especially at local level, where communication was often poor. He repeated the TUC's exhortation to trade unionists to provide vital emergency services during strikes.

The Government yesterday was hoping to avert trouble with 400,000 aggrieved nurses. Mr. David Ennals, Health Secretary, arranged to put to their unions an offer similar to that made to the other workers. Although the unions have not rejected a comparability study, they have insisted on knowing the phasing of its award.

The results of the NUPE and the Confederation of Health Service Employees' ballots will be known today and tomorrow. The final tally of members' responses will be declared by the General and Municipal Workers' Union.

Transport and General Workers' Union delegates have accepted the offer for their council and hospital members and are balloting their ambulancemen.

All the indications are that the council workers will approve the formula.

Civil Service unions step up campaign

BY PHILIP BASSETT, LABOUR STAFF

CIVIL SERVICE unions yesterday stepped up their campaign of selective strike action over pay by calling out more computer workers in an attempt to disrupt the Government's expenditure information and preparations for the Budget.

The CPSA and the Society of Civil and Public Servants estimate that the action has so far cost businesses some £100-£200m. The cost to industry of borrowing money to bridge the gap was about £½m per week. Company registration has been halted, and the unions claimed a black market in company names had developed at the Cardiff registration centre.

In Scotland, charges against a number of people awaiting trial for motoring offences and petty crime are to be dropped because of action by civil servants.

And yesterday, staff at the Paymaster General's Office in Crawley, Sussex, were called out on strike, at first for a week. The unions said that the effect of stopping the computer at the PGO, which acts as a banker for all Government departments, authorising payment for supplies and services, maintaining Government accounts and preparing monthly analyses of public expenditure for the Treasury, would be to disrupt the Government's expenditure information and control.

Mr. Alistair Graham, deputy general secretary of the Civil and Public Services Association, said that the figures available to Mr. Denis Healey, the Chancellor, could now be quite wrong at a time when decisions had to be taken over the harshness of the Budget.

Most of the Budget forecasts have been completed, and though the action, if it only remains in force for a week, is more likely to inconvenience rather than disrupt. Action by Stock Exchange workers, which has affected share transfers, was originally set for a week, but the unions said yesterday it would now be extended for a further two weeks from tomorrow.

The PGO computer also affects pensions of the military, civil service, judges and MPs, though the unions have offered to send in their members and pay themselves on the necessary days in order not to affect any pensioners.

Scots mine leaders against pay offer

By Ray Perman, Scottish Correspondent

SCOTTISH MINERS' leaders yesterday urged rejection of the proposed pay settlement with the National Coal Board, which would add at least 9 per cent to earnings.

The executive of the Scottish area of the National Union of Mineworkers also decided to step up the pithead campaign which it has been conducting to support the 40 per cent claim originally submitted by the union.

Mr. Mick McGahey and Mr. Eric Clark, the two Scottish members of the NUM's national executive, will press for a ballot on the proposed settlement when he executive meets on Thursday.

Mr. McGahey said the Coal Board's offer fell so far short of the original demand that it ought never to have been accepted.

"We are calling for this agreement to be rejected and for negotiations to continue with the board, in order to present more acceptable recommendations to our members. This would not be the first time that agreement has been reached, but negotiations have produced a better settlement which has prevailed," he said.

Bus deal 'must be within guidelines'

BY OUR LABOUR STAFF

MR. WILLIAM RODGERS, Transport Secretary, made clear to bus employers yesterday that a pay deal for the industry would have to be in Government guidelines.

But drivers and ancillary workers have threatened a national one-day strike over pay.

Mr. Rodgers and senior Department of Transport officials met representatives of the National Bus Company and regional passenger transport executives.

The employers, whose offer of 6 per cent increases has been rejected by the Transport and General Workers' Union, emphasised that they did not believe they could settle within guidelines this year. The bus companies are prepared to discuss further payments through productivity increases.

Mr. Rodgers repeated that no further money would be available to finance an increase.

A settlement had to be limited to 5 per cent, with extra money available only through the £3.50 concession to the low-paid and through self-financing productivity schemes. Higher settlements would be acceptable only if they represented genuine productivity increases that did not raise fares or rates.

Mr. Rodgers added that because no more money was available, an independent inquiry, which the union requested, would serve no purpose.

The union's delegates in the industry are seeking powers to call a one-day strike involving 150,000 drivers, ticket collectors and depot workers.

Printers plan to black advertising

By Our Labour Staff

COMPANIES ADVERTISING in the Nottingham Evening Post have been told by the National Graphical Association and SLADE the process workers' union, that their advertisements with other newspapers as well as the Post may be blacked.

The threat follows a union recognition dispute with T. Bailey Forman, owners of the Nottingham Evening Post.

A delegate meeting of the National Union of Journalists will consider a proposal for a national one-day provincial strike in support of 26 journalists sacked by the Post after the national strike over pay.

Ten pickets arrested last Saturday at the paper are due to appear in court today.

● Union leaders last night said that casual workers should honour an agreement over tax, which caused the loss of more than 2m copies of the Sun and 50,000 of The Guardian yesterday when casual workers failed to turn up for their shifts. Casual work income tax is now deducted at source unless the person can provide identification.

Hull dockers strike again

NEARLY 20 vessels were left idle when dockers at Hull went on another one-day strike over pay yesterday.

The strike was the fourth in a series of weekly one-day stoppages. On Friday, 12 ships were affected when shop stewards called out 2,000 men.

The shop stewards have asked local MPs to ask the British Transport Docks Board in London not to interfere with local settlements.

Closing Bilston would cost £35m, report says

BY ALAN PIKE, LABOUR CORRESPONDENT

LOCAL AUTHORITY leaders in the West Midlands appealed to the British Steel Corporation to defer a decision on closing Bilston Steel Works in the light of a report by Aston University published yesterday.

The plea, by West Midlands County Council and Wolverhampton Borough Council, reflects fears that the corporation will announce the closure of Bilston when it meets the TUC steel committee on Thursday.

If the corporation goes ahead with the closure, the local authorities will ask Mr. Eric Varley, Industry Secretary, to override the decision until the study has been analysed.

Closing Bilston might save the corporation £45.9m over five years, the report says, but would cost £35m in redundancy payments, supplementary benefits and retraining.

Against that, the corporation might save £27.4m over the period by installing a new electric arc furnace with social costs of £11.7m. New investment at the plant would not increase capacity but improve productivity and substantially reduce manning.

Closure would cost 2,800 jobs: 2,200 at the plant, 500 elsewhere.

Wolverhampton's unemployment rate is 6.1 per cent and, with 95 per cent of the workforce living within five miles of the plant, would rise to 7.4 per cent with closure. That is higher than in many assisted areas and considerably higher than most intermediate areas.

The report recommends that the works should not be closed unless the case for new steel-making investment at Bilston is re-examined and the difficulties of providing alternative employment inthe area resolved.

It agrees that the corporation is in the dilemma of attempting to respond to rationalisation and productivity arguments while being urged to pay more regard to the wider economic and social repercussions of its activities as a nationalised industry.

Central government was "going to have to decide fairly soon whether or not its social cost-benefit and remedial employment statements are meant to be taken seriously."

The local authority and union groups campaigning to save Bilston are conscious that the wider social costs identified in the report are borne not by the corporation but by the taxpayer and ratepayer.

Mr. Dennis Harty, vice-chairman of West Midlands County Council employment, commerce and industry committee, commented: "We are looking for a stay of execution on Thursday, but we shall still fight even if the decision is for closure."

The report was from the university's Joint Unit for Research on the Urban Environment.

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Shore blocks council house sales

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

TIGHTER RESTRICTIONS to cut down on the number of council houses being offered for sale by local authorities were announced in the Commons last night by Mr. Peter Shore, the Environment Secretary.

He made it clear that his intention was to prevent what he termed "the indiscriminate and irresponsible" sale of housing stock by some Tory local authorities.

As a result, councils will no longer be able to sell new houses built for letting. They will be able to sell only existing dwellings which have been occupied by sitting tenants for at least two years.

They will, however, still be allowed to build new houses specifically for sale and to offer them to people on the waiting list who are prepared to buy.

Councils will also be able to continue with equity-sharing schemes under which a tenant can acquire part ownership of a property by paying a mixture of rent and mortgage.

"The Tory policy of unrestricted right to buy is financially profligate and certain to push back the date when the remaining hard core of our housing problems can be resolved," he declared.

The tighter rules will also put an end to schemes under which council tenants can buy an option giving them the right to purchase their homes at a future date.

Mr. Shore maintained that this deprived future councils of the right to use their stock to the best advantage.

"I regard it as quite outrageous for present councils to attempt to restrict the freedom of action of later democratic elected councils," he commented.

He argued that there was no reason why people who wanted to buy their own homes should not do so on the private market, thus leaving empty council houses for those in housing need.

The new policies are embodied in draft amendments to the regulations with which local authorities must conform when they sell houses. The amendments were sent out to the local authority associations yesterday.

"I expect local authorities to behave responsibly," Mr. Shore told the House. "But some have been behaving so irresponsibly over the last year or so that I am forced to act.

"We are opposed to indiscriminate sales. We are opposed to the level of discount some authorities are wanting to offer.

"The 'Sale of the Century' approach to the disposal of public assets provides a short-term way of cutting taxes and rates but it is financially irresponsible.

"You cannot give away public assets without someone having to pay the bill in the longer run. The sale of the council houses is likely to impose a substantial longer-run loss on the public purse."

Out of five million council houses, about 11,000 were sold in 1977. The 1978 figure is expected to be about 27,000.

Mr. Shore also told MPs that the Government would be bringing forward a Housing Bill before Easter.

This would contain proposals allowing local authorities to bring their mortgage rates into line with the rates offered by building societies.

At present, people who get local authority mortgages often have to pay a higher rate of interest than from a building society.

The Bill will also include powers for more money to be channelled into the improvement of council estates over 30 years old and in a particularly bad state of repair.

Demolition of some of these estates was not an option which the Government would wish to use but Mr. Shore did not rule it out entirely.

The legislation would include a scheme for greater mobility of council tenants. Local authorities would be required to set aside a proportion of housing stock for people who moved their jobs.

A strong attack on the Government's housing policy came from Mr. Michael Heseltine, the Conservative shadow environment secretary.

He said that only 280,000 new homes were completed in Britain last year—the worst figure since Labour came to power.

As a result of the Rent Acts, 400,000 homes in the private rented sector had been taken off the market since 1974.

In addition, mortgage interest rates were now running at a higher level than at any time during any previous Government's administration.

In short, said Mr. Heseltine, 1978 had been "a disastrous year in the field of housing."

In particular, he hit out at the efforts of the Community Land Act and the development land tax.

The Act "hung like an albatross around the neck of those responsible for the provision of housing."

Levels of the land tax were now pitched at such a scale that they were a major deterrent to anyone selling land.

"The Community Land Act has got to go and the development land tax has got to be altered so that it ceases to be a disincentive to land release," said Mr. Heseltine.

● The Government yesterday promised more money for major towns and cities who are smartening up their inner areas in partnership with Government departments.

Mr. Shore, in a Commons written reply, told Mr. Eddie Loyden (Lab., Garston) that the partnerships are to have an extra £19m for their programmes for 1980-81.

He said this increase of 25 per cent in real terms over the 1979-80 figure underlined the Government's commitment to keeping the inner city policy moving.

The total allocation for each partnership, for 1980-81 (with the 1978-79 figure in parentheses is:

Liverpool 13.5m (10.8m); Manchester / Salford 13.9m (11.2m); Birmingham 14.2m (11.4m); Newcastle/Gateshead 9.8m (7.8m); London Docklands 20.4m (16.3m); Hackney/Islington 13.2m (10.3m); Lambeth 7.6m (5.8m).

Hugh Routledge

'Old lags' back in House

TWO former Tory MPs—"old lags," according to Labour Left-winger Mr. Dennis Skinner—came back to the Commons yesterday to claim their new seats after last week's by-elections.

Their new Conservative colleagues cheered a welcome as Mr. Jock Bruce-Gardyne, the new Knutsford MP, and Mr. David Waddington, the victor at Clitheroe, were introduced to the Speaker.

Mr. Skinner, no less sincere if a little more unorthodox, scoffed: "Another old lag," and "Here's another retread" as the two MPs claimed their seats.

Their presence in the Commons brings the total Tory strength to 283, compared with 306 on the Labour benches.

Debate on NUJ rejected

THE National Union of Journalists' move to expel several hundred members who refused to join the recent provincial strike had serious implications for their employment prospects as well as for the freedom of the Press, a Tory MP told the Commons yesterday.

But the application by Sir John Eden (Bournemouth West), for an emergency debate on the issue was rejected by Mr. George Thomas, the Speaker.

Sir John explained that the strike had been called among members on provincial newspapers, but no ballot had been taken, and in some cases local pay increases had already been negotiated.

He criticised the "flying assize" set up by the union to "try" members who had refused to strike and condemned the NUJ's punishment.

Hattersley denies inflation rise

BY IVOR OWEN

CONSERVATIVE FORECASTS of a major upsurge in inflation were rejected by Mr. Roy Hattersley, the Prices Secretary, in the House of Commons yesterday.

While admitting that it was difficult to predict the likely increase in earnings in the current pay round, he maintained that if the nation as a whole behaved sensibly, it was possible to keep the annual rate at or about the present level.

"And we must struggle to do so," he added.

Mrs. Sally Oppenheim, the Conservative shadow prices minister, insisted that the Government's counterinflation policy was in ruins.

She contended that a clear upward trend in the rate of inflation was already established and pointed to widespread forecasts that it would soon be returning to double figures.

Mr. Hattersley retorted that Mrs. Oppenheim had a bad record in making forecasts about future levels of inflation.

But if Conservative MPs continued to predict massive increases in prices they would be creating the circumstances which they pretended to fear.

If the British people and the trade union movement were induced to believe that inflation was bound to get out of hand, this could lead to pre-emptive wage demands to compensate for anticipated price rises.

Mr. Hattersley stressed: "If the overall level of earnings remains at a reasonable level, as advocated by the Government, we could have another good year.

Tory MPs seized on an admission by Mr. Hattersley—that since February 1974 there had been a cumulative increase of 103.7 per cent in the retail price index—to sustain their indictment of the Government.

Rippon defends Britain's contribution to EEC

BY ELINOR GOODMAN, LOBBY STAFF

A SURPRISINGLY unqualified defence of the Common Market was launched yesterday by Mr. Geoffrey Rippon, leader of the Conservative group in the European Parliament.

Britain, he said emphatically, was getting good value out of EEC membership.

Compared to the cost of central Government in this country, Britain's contribution to the EEC budget was a small price to pay for the benefits Britain got from membership.

Though the Conservatives will be fighting direct elections to the European Parliament in June on a strong pro-market platform, Mr. Rippon's endorsement of the existing financial arrangements probably went further than some prospective European MPs would regard as prudent in the light of Labour's attack on Britain's disproportionate contribution to the budget.

Mr. Rippon, a convinced European of long standing, argued that there was much in the Common Agricultural Policy which could be improved.

But he argued that some surpluses were inevitable if supplies were to be assured and that these were preferable to recurrent shortages.

In the same way, he claimed that the cost of the Community had to be seen in the context of what was at stake.

At present, the total Community budget was less than 3 per cent of the combined national budgets of the nine member states.

Britain's gross share of the Community budget amounted to only about 2.6 per cent of total UK Government expenditure, or about £12 per head a year.

This compared with £800 a head to pay for the cost of central Government expenditure.

After taking into account receipts from various Community funds and subsidies on UK food imports, Britain was in credit in 1977 and was doing "pretty well now," he claimed.

Furthermore, it had to be borne in mind that, if Britain was *not* in the Community, agricultural support would cost the country about £1,000m annually.

Speaking to a seminar on direct elections in Newcastle-upon-Tyne, Mr. Rippon said that a strong united Europe was essential to cope with the problems of the world today.

Collectively, the nations of Europe had a potential strength and influence that they could not achieve divided.

Taking up a point made recently by Mrs. Thatcher, he emphasised that security of each member state of the European Community was indivisible from the rest.

Tory call for jobs debate

REPORTS in a secret Whitehall document, leaked last week, that there could be an £800m loss on Government job-saving schemes resulted in a Tory call in the Commons yesterday for an emergency debate.

But Mr. Ian Gow (C., Eastbourne) was unsuccessful in his appeal.

After newspaper reports of the memorandum, sent by Sir Douglas Wass, the Permanent Secretary at the Treasury, to his opposite number at the Industry Department, Sir Peter Carey, appeared last week, the Prime Minister immediately ordered a searching inquiry into the incident.

It is headed by Sir Ian Bancroft, head of the Civil Service Department.

Mr. Gow said yesterday: "There is no more important matter for us to discuss than the questions of control of Parliament over expenditure of public money."

He suggested that the "so-called jobs-saving projects" had been drawn up during the four months up to last December because it was widely estimated that a general election would be held during that period.

"Who knows what the Government front bench will get up to in trying to buy votes at the next election?"

Mr. George Thomas, the Speaker, rejected the request.

MPs tussle over devolution poll

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE LABOUR PARTY in Scotland and the Scottish National Party yesterday called on the Government to do all it could to get the devolution legislation through Parliament, while the Scottish Conservative Party urged the Opposition to do everything in its power to prevent it.

The Labour Party Scottish executive issued a statement reaffirming its committment to devolution and asked the Government to do likewise.

The National Union of Mineworkers is to propose an emergency resolution at the Labour Party conference in Scotland next weekend, calling on the Government to do its utmost to get the Scotland Act on to the statute book.

Mr. William Wolfe, chairman of the Scottish National Party, said that the plain fact was that 52 per cent of those who had voted in the Scottish referendum had been in favour of devolution. The Government should do everything in its power to fulfil its manifesto committment to set up a Scottish Assembly.

"Democracy is quite simple; it means that the majority view prevails. If Westminster fails to recognise the will of the majority of the Scottish people and of the majority of their MPs, the Scottish people will take their case to the European Court of Human Rights and to the UN."

But the Scottish Conservative Party sent a message to Mrs. Margaret Thatcher, the Tory leader, urging her to oppose any attempt by the Government to implement the Scotland Act.

Robin Reeves, Welsh Correspondent, writes: The Labour Party's Welsh executive committee moved swiftly yesterday to try to close ranks in the wake of last week's devolution referndum debacle in Wales.

A statement issued after a special post-mortem meeting in Cardiff yesterday expressed deep disappointment at the result but stressed that the immediate tasks before the Party now were to fight the local, European and general elections due over the next few months.

At the same time, it reiterated that the problems which the Assembly in Cardiff was designed to solve still remained—the lack of direct accountability and democratic control of public sector institutions established in Wales and other regions of Britain.

The extension of democracy to give people a greater say in Government would remain central to the whole purpose of the Labour party, it said.

Doggone cheap

BRITAIN is still the cheapest Common Market country in which to register a dog. According to figures released in a Commons written answer yesterday, a dog licence in West Germany could cost up to £32 and in Holland as much as £24.80. In Britain, despite vigorous campaigns from animal societies, the licence fee stands at 37½p—the same as when it was introduced in 1878.

Aid reduced

The Government has either cut off, or significantly reduced, aid on human rights grounds to seven countries: Chile, Uganda, Ethiopia, Cambodia, Vietnam, South Yemen and Bolivia, Mrs. Judith Hart, Minister for Overseas Development, disclosed in a Commons written answer yesterday.

Flights stop

The Government has withdrawn permission for Uganda Airways flights between Britain and Uganda with immediate effect, the Trade Department said last night.

Decades of dole

TWO people in Northern Ireland have been signing on the unemployment register for 38 and 28 years, Northern Ireland Minister, Don Concannon, said yesterday in a Commons written reply.

'Phoney' pay deals

BY IVOR OWEN

TORY MPs called on the Government in the Commons yesterday to ensure that the nationalised industries are treated in the same way as private sector companies when the Price Commission is able to identify "phoney" productivity deals.

This was among the issues raised when they closely questioned Mr. Roy Hattersley, Prices Secretary, about the implications of the Price Commission's recommendation that BOC should freeze its prices for industrial gases for a year.

Mr. Tim Sainsbury (Con., Hove) led the demand that productivity deals in the public sector should be subject to equally rigorous scrutiny by the Price Commission.

Mr. Hattersley stressed that the Price Commission made its own judgment about self-financing productivity deals.

"When it inquires into the public sector it can make exactly the same recommendation as it made in the case of BOC."

Criticism made by the Price Commission about management efficiency was challenged by Mr. Giles Shaw (Con., Pudsey), an Opposition spokesman on prices.

He suggested that when the Minister next met the chairman of the Price Commission he should ask him about the waste of management time arising from matters raised by the Price Commission.

Why did the Price Commission send out detailed questionaires which were followed by detailed questionaires from consultants which it employed?

Mr. Hattersley invited Mr. Shaw to provide specific examples of management time being taken up unnecessarily by the Price Commission.

'Cab spies' win approval

THE GOVERNMENT has "reluctantly" accepted the European Court's decision on use of tachographs—"spies in the cab"—Mr. William Rodgers, Transport Secretary, said in a Commons written reply yesterday.

Ministers now seem likely to face a massive row with Britain's road haulage unions

Mr. Rodgers said: "It was accepted by the United Kingdom on accession to the Community and there was no subsequent attempt to renegotiate it.

"However, although in 1977 Parliament approved regulations enabling the tachograph to be used on a voluntary basis, the Government has not previously believed it necessary to make its use compulsory.

"The Government has now considered the decision of the court that the UK is in breach of its obligations under the Treaty of Rome. It has reluctantly concluded that it must accept the decision.

THE JOBS COLUMN

Wanted: brains to build resource-exchange

BY MICHAEL DIXON

WE REALLY ARE on to something with the idea of a resource-exchange.

In the "we" I do not include only Michael Bretherton who sparked the notion of a private-enterprise clearing house for people with under-employed resources, be they money, inventions and other new schemes, working skills, supporting services or whatever. Also included are the large number of Jobs Column readers who have responded to the notion since it was last discussed here on January 30.

The reaction has been so large and intriguing that Mr. Bretherton and his personal manager Diana Stephenson have had less and less time for running Right Match International in London—which is the work for which they actually get paid. Although most of the response has come from United Kingdom sources, ranging from the shop-floor to the bastions of capitalism, there have been contributions also from France, the Netherlands, Singapore, Australia and Ecuador.

As well as causing Michael B. to dash about trying to act as go-between on behalf of various individual resources, the weight of interest has satisfied both him and me that there could be a useful purpose for a resource-exchange established on a more formal, self-standing basis. But in what form, that is the question.

It is clear from the response, and of course from the essentially private-enterprise nature of the idea, that the last thing wanted would be a grant-financed "institution," no matter how small. So although it might need a bit of start-up capital, the exchange would have to cover its costs probably, we think, by charging a commission on successful match-making.

Given some sort of centre, the exchange would have various ways of providing a market place. One way, for example, could be to use the Jobs Column at certain regular intervals to review the resources on offer. But that would not be enough, because it seems plain that if productive relationships are to ensue, resources must not only be identified to one another, but also meet face-to-face for mutual cultivation.

Crucial

Consider the loneliness of the hard-pressed inventor. We have evidence that such people often crucially need the aid of commercial experience as a guide to the most profitable direction in which to develop their inventions. We have indications, too, that they tend to dislike the idea of going, half-formed widget in hand, to some large bureaucratic agency for help.

Consider, too, the companies which—unlike those who have come to the embryo exchange in search of potential new products—already have product-possibilities that they do not sufficiently understand. What these concerns are seeking is a resource for developing such possibilities to a point where the owners can understand them and make them into realities.

So in addition to enabling would-be collaborators to meet, the exchange surely needs to incorporate some sort of nursery for new ideas for products and services, from which the seeds that grow strongly enough can be transplanted to the cold world of commerce. As an example of the services which could be provided in the nursery, we have engineering companies offering to make prototypes at, I gather, barely cost-covering price provided they could recover profits by a surcharge on or an interest in such prototypes as became successful in the market.

What, then, comes next?

The answer is to hammer the inevitably wistful ideas that Michael Bretherton and I have assembled so far, into a workable design for the resource-exchange, mark one. And who might you think has been selected to supply the essential muscle for the hammering?

You readers, that's who.

We now need to set up temporarily an expert resource-exchange-engineering shop, consisting of people with hard know-how of the kinds required to develop the self-financing, minimally bureaucratic device which is wanted. The work will no doubt be hard, and at times infuriating. But I think I can safely assure whoever comes forward, that no matter how low or high the market price at which they can sell the skill they contribute, the engineering shop as such will pay them nothing whatsoever. Nor need anybody with an indispensable skill think that he or she can necessarily refuse this offer. If they do not volunteer, then they are likely to be rung up and shamed into helping.

The plan is to stage a preliminary meeting soon, probably in London, for "brainstorming" on the initial design. Consequently it would need to be fairly small, but I should be grateful to hear from all who would be willing to bring along their relevant expertness for the space of a few night hours.

Even so, anyone either too far away or otherwise unable to attend such a gathering but who has appropriate advice to offer on paper or would be willing to be consulted piecemeal by telephone, would be very welcome. But please, this time, write the glad news to the Jobs Column, not to Michael Bretherton who now really ought to be allowed some time to earn his salary.

While still prepared—as all concerned with the resource-exchange must be—to see it come to nothing, I do have high hopes. The reason is a number of Left-wing acquaintances who think that capitalism prevents its denizens from co-operating in the way required to make the exchange a reality. I cannot think of anything more joyful than being able to prove them wrong.

Chip chaps

MEANWHILE a trio of micro-chip chappies, with experience suited to their employment as research managers, are wanted by Bob van Oven of European Marketing Systems, on behalf of a client whom he may not name. (He therefore guarantees to honour any request by an applicant not to be identified to the employer until given specific permission to do so.)

They are wanted for the research teams of a medium-sized European-owned group which produces measuring equipment of a progressively computerised kind mainly for use in industry and retailing.

The equipment is manufactured in several countries, including the United Kingdom and the United States. But the main research centre, which employs about 60 people, is in Holland, and this is likely to be the newcomers' base. I gather, however, that deployment to Germany, England or Switzerland may be possible.

Thus candidates must be culturally versatile. Fluency is needed both in English and in German. Either French or Spanish would be a useful extra. The age indication is 30 to 40.

Even satisfying all criteria above, pure boffins will not suit. Demonstrable commercial sense enough to comprehend the arguments put forward by colleagues working in marketing and sales, is a must. So is a practical outlook sufficient to appreciate the problems which tend to arise on the factory floor when new systems or techniques are being introduced.

Since the company requires its research managers to keep abreast of their projects until these reach full production, a good knowledge of mechanical engineering is desired.

The foundation will be a graduate-level training probably in electronics, electrical engineering, or physics.

Bob van Oven says that salaries will be about the equivalent of £23,000 to £26,000. Applications giving condensed details of suitability should be sent to him at Groot Blankenberg 56, 020-421046; telex via 14113 bergm nl.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS

Pitching for the bubble market

HIGH CAPACITY bubble memory offering ¼m and 1m bits of non-volatile storage are moving out to the European market in production versions from Rockwell International Microelectronics, placing that group in a leading position in this new area of circuit technology despite the head start gained earlier on by Texas Instruments.

The memories are built around a piece of active material about one centimetre square and Rockwell says it has succeeded in increasing density of storage about fourfold compared with existing competitors' designs.

The ¼m bit devices are being shipped at £500 each in low volume orders. For the 1m bits, the company is packaging four of the devices on a 15×25 cm miniboard together with the control circuitry, in such a way that it is extremely simple to use with a microprocessor.

Delivery of 60 to 90 days is quoted for the above, but meanwhile, the company's vice-president has disclosed that a 1m bit device will appear this year and that 4m and 16m bit devices are on the stocks for production in the 1980s.

Decisions to go for these various products stem from the belief that the market for bubble devices will expand quickly to $500m by 1985.

Further details from Pelco (Electronics), Enterprise House, 83, Western Road, Hove, Sussex. 0273 722155.

Rockwell International, Electronic Devices, 3310 Miraloma Avenue, POB 3669 Anaheim, California 92803, U.S.

● INSTRUMENTS

Thickness gauge

PORTABLE, an ultrasonic thickness meter designed in Italy has the useful point that the hand-held probe housing incorporates its own digital display, in addition to the one on the front of the instrument case.

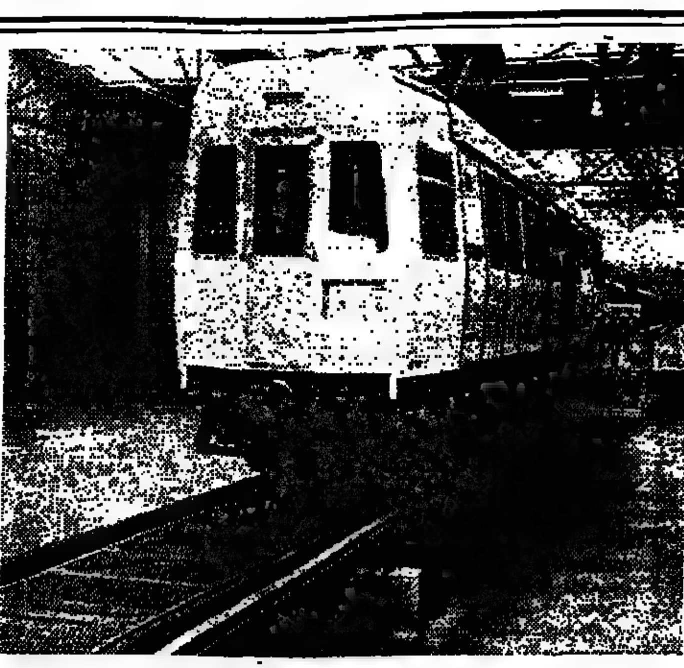
The DG30 from Gilardoni will measure thicknesses from 2 to 300 mm in two steps, depending on the ultrasonic probes used. It has two switched scales, from 0 to 99.9 mm and from 0 to 999 mm with scale accuracies of ±0.1 and ±1 mm respectively.

For calibration, according to the material being gauged, the gauge has six crystal-controlled frequencies that are selectable and customers can specify these to suit their needs.

Fine tuning of frequency is possible with a lockable potentiometer.

The remote display is particularly useful for working in confined spaces, such as inside pressure vessels during corrosion checks. Power is from rechargeable batteries and the unit weighs 900 grams complete.

Defladene, Wragmore, Stukeley Road, Soulbury, Leighton Buzzard, Beds LU7 0DF. 052527 455.



Bertin and Cie in France has designed and supplied to railway coach manufacturer Societe Franco-Belge this remotely-controlled air cushion swivel bridge and traversing table. The bridge is 25 metres long and 1.8 metres wide and operates on 32 air cushions contained within a 27 by 25 metres pit. It gives access to four different tracks. Two 4 hp motors are used to power the bridge which moves linearly and rotates in a half circle.

● MATERIALS

Simplifies mouldings

DELTAMAT IS a new chopped-strand mat from Fibreglass based on new developments in mouldability, handling and rapid air release.

A fast-dissolving binder and a new size system permit an extended rate of wet-out, retaining strand integrity during impregnation and consolidation. When more than one layer is being consolidated, Deltamat will ensure that air will not be trapped in the laminate. It performs equally well when traditional methods of hand lay-up are used.

Deltamat's easy-tear properties aid consolidation on complex shapes and deep-draw mouldings without detracting from the ultimate mechanical properties of the laminate.

Size-chemistry and strand construction have led to the improved air-release properties. The quality of the composite is improved, particularly in the case of large and complex mouldings, because strands remain integral long enough for all air to be removed. Deltamat can be laminated successfuly at any resin/glass ratio between 1.25 and 3.00:1 and will reduce resin drainage.

Because of its open construction, Deltamat allows the resin to penetrate the matrix rapidly, reducing the possibility of voids within the laminate. This is a particular advantage when using viscous resins such as epoxy and some fibre-retardant grades of polyester.

Fibreglass, St. Helens, Merseyside WA10 3TR. 0744 24022.

● RESEARCH

Glues are used to assemble machines

ANAEROBIC ADHESIVES are liquid, single-component, polyester resins which cure into tough substances when deprived of air; for example, when confined between close-fitting metal parts.

Widely used for various types of minor repairs and particularly for thread locking, their rate of application is rising rapidly at between 20 and 30 per cent annually. Despite this acknowledged success, most design and production engineers continue to specify traditional methods of joining and fastening.

PERA has recently concluded an investigation, supported by the Mechanical Engineering and Machine Tools Requirements Board of the Department of Industry, in which several typical industrial examples of joints made by precision-machined interference fits were redesigned around anaerobic adhesives. Tests were then carried out to compare the strength and quality of such joints with the more conventional forms.

Main advantage of using anaerobics to replace interference fits arises from the fact that they can cope with diametral clearances of about 0.25mm. However, for optimum strength, the diametral clearance should not exceed 0.10mm. This means that for interference fits, machining tolerances can be relaxed considerably and machining times reduced. Ancillary items such as grub screws and taper pins can be dispensed with entirely.

Push-out and pull-out load tests carried out on the test components to establish their strength and quality, indicated that unless the conventional assembly was secured by a grub screw or pin, the room temperature strength of a bonded joint was well in excess of the strength of the conventional assembly. The strength of a bonded joint did, however, decrease with increasing temperature; for example, a heat-resistant grade of anaerobic adhesive lost approximately 20 per cent of its room temperature strength at 150 degrees Centigrade.

As a consequence of this investigation, PERA concluded that there are worthwhile economic benefits to be gained by changing from precision-machined fits and associated retaining methods to anaerobic adhesive bonding methods. Typically, manufacturing times per joint were reduced by 40 to 70 per cent and in one application materials costs were reduced by 80 per cent.

The project typifies the growing range of subjects covered by PERA's Joining Processes Group as part of a range of services designed to assist companies in selecting the most appropriate joining techniques for individual applications. Particular emphasis is placed on the production engineering aspects of the various joining techniques available, including welding, soldering, brazing, fastening, and adhesives generally. The assistance provided to companies by PERA in these fields on a consultancy basis is growing continuously.

For further information about the work undertaken by PERA contact: The Manager, Machining and Joining Department, Research and Development Division, PERA, Melton Mowbray, Leicestershire LE13 0PB (0664

● PERIPHERALS

Simplified terminal has power

BY incorporating a custom-designed circuit rather than a micro in its 4th generation visual display unit, the "Bantam," Perkin Elmer has succeeded in reducing cost very sharply as well as simplifying the design.

It has the new director circuit, alongside the controller for the cathode ray tube, and needs no more than 19 other integrated circuits to function—a reduction of 41 circuits compared with its predecessor which is micro-based.

Offered at under £400 in quantities of 100, the Bantam has facilities comparable with those of much more expensive units.

Switchable black on white or white on black display can be combined with an anti-glare filter to make reading easier in fluorescent light. Several dedicated keys are provided and there is a 12-key numeric pad in the calculator layout.

Screen size is 12 inches diagonal and capacity is 1,920 characters.

Perkin Elmer Terminals, 227, Bath Road, Slough, Berks. Slough 34511.

● PROCESSING

Oven built in short sections

DANISH ENGINEERS have solved the problem of the length of time it takes to set up big tunnel ovens for bakeries and food processing plants by thinking up a building block approach.

Previously these ovens, some of which can be 60 metres in length, have taken up to four months to install and required the continuous presence of skilled men.

The Danish idea is to build the oven in sections, each two metres across and supply them "ready-made" to site, painted, insulated and with all the necessary internal equipment. The sections are fitted together to the required length, services connected in and the conveyor system set up. Typically, a large installation could be ready to operate in only seven days.

Meincke of Copenhagen is promoting the idea and further details on it are available from European Process Plant, 175, High Street, Banstead, Surrey, SM7 2NT Burgh Heath 52988.

Good news for bottle washers

BOTTLING AND packaging engineers, H. Erbern, of Hadleigh, Ipswich, has now extended its services to the provision of recycling plant.

Users of bottle and container washing machines, informs the company, have always been faced with the need to frequently renew the caustic used in the soaking tanks of washing machines. The company's system, Filtramat, is said to achieve substantial cost savings in the actual usage of caustic, fresh water and heat energy. Waste disposal problems are also minimised.

The equipment used is manufactured by Otto Sick KG of Emmendingen, Germany, and is designed to clean and recycle the caustic solution.

Basic plant consists of the filter container, a centrifugal pump, interconnecting pipework and pressure gauge, as well as a container for the flocculating agent, Alpha Flock Plus.

Recovers the scrap

AGREEMENT HAS just been signed between Staffordshire County Council and Material Recovery, Queens House, Forbury Road, Reading (Reading 581177), for the company to build a ferrous metal extraction unit at Hanford incinerator station at Stoke-on-Trent.

New unit will cost about £450,000 and construction work will be carried out by Peabody Holmes of Huddersfield.

Expected to begin operation in November, and after a two to three month commissioning period, the unit will extract ferrous scrap from the refuse at the rate of about 9,000 tonnes a year.

At present, all refuse passing through the incinerator station is burnt and the burned metal scrap recovered later. Yields are about 4,000 tonnes a year.

Incineration of tinplate scrap causes some of the tin to alloy to the steel after which it can only be used in the manufacture of foundry iron. Since the company's process separates the cans before incineration, it is possible to clean and de-tin the unburned tinplate which can then be recycled into high grade steel scrap and pure ingot tin.

Easy to operate press

BUILT IN four modules totally sealed from each other is the R100 tabletting press from Ed. Courtoy of Halle, Belgium, introduced to the UK by sole agent Solent Engineering Services of Andover.

Press is completely enclosed, with removable access panels (double skinned to minimise sound emission) which simplify all aspects of maintenance, cleaning and tool changing.

The panels incorporate micro switch circuits which when removed totally immobilise the machine.

Waxes have many roles

AMONG THE lesser known products derived from crude oil are the waxes which are used as the basic constituents of corrosion inhibitors, lubricants for metal forming operations and dressings for wire ropes.

Confident that there is a growing market for these intermediate products, Carless Chemicals has just brought into operation a £½m plant capable of producing 6,000 tonnes of oxidised wax a year using petroleum wax fractions from the North Sea as feedstock.

Waxes from the new plant are to be marketed under the brand name Hypax and they are described as a complex mixture of organic acids, lactones and esters produced by the controlled oxidation of selected wax fractions. The various products will be offered as molten material in bulk or as solid material in drums.

They can be reacted like natural fatty acids. For example, they can be saponified with a number of metal oxides and hydroxides. The calcium soaps thus formed are particularly useful as a basis for formulating extremely cost-effective rust preventative compounds used in the automobile and industrial sectors.

Full details of the waxes can be obtained from the company at All Saints Refinery, Cargo Fleet Road, Middlesborough, Cleveland TS3 6AF (0642 248557).

Trends in search for progress

NOISE, performance testing, guarding, reliability, mechanical and control system design and computer aided manufacture are a few of the items to be illustrated by displays and demonstrations when the Machine Tool Industry Research Association holds a series of open days from March 28 to 30 at its Macclesfield laboratories.

MTIRA is the national research organisation of the British machine tool industry and, at intervals, offers opportunities for those sections of industry not closely allied to machine tool design to see something of the activity and progress which the industry maintains and supports in virtually all aspects of the design, development, manufacture and use of machine tools.

Research on nearly 30 current investigations will be exhibited with practical demonstrations arranged at regular intervals throughout each open day. The range of measurement, trouble shooting, design and information and advisory services available to industry will also be on show and a series of lectures will be presented to explain more fully the work of the Association.

MTIRA, Hulley Road, Macclesfield, Cheshire SK10 2NE. Telephone: Macclesfield (0625) 25421.

● FINISHING

Zinc plating process

NON-CYANIDE zinc plating system, known as the MZ process, for barrel and rack plating, has been introduced by Harshaw Chemicals, PO Box 4, Daventry, Northants, NN11 4HF.

Said to produce bright to brilliant deposits over a wide current density range, the process is claimed to offer a number of advantages over other non-cyanide processes, including the fact that it is more tolerant to impurities—most foreign metals can be eliminated by using the company's purifier MZ30. It will also operate over a wide range of zinc concentrations, which are easily controlled by varying the anode area.

LEGAL NOTICES

In the HIGH COURT OF JUSTICE, Chancery Division, Companies Court. In the Matters of:—
No. 00570 of 1979
MANEYARD BUILDERS LIMITED
No. 00574 of 1979
VERLENT LIMITED
No. 00575 of 1979
THE BURGUNDIAN LIMITED
No. 00576 of 1979
RAYLEIGH AGENCIES LIMITED
No. 00582 of 1979
BRENDON'S CAR MART LIMITED
No. 00587 of 1979
ADONWHITE PROMOTIONS LIMITED
No. 00588 of 1979
GAZELLE (ENGINEERING AND MAINTENANCE) LIMITED
No. 00592 of 1979
K. N. HENNY AND CO. LIMITED
and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that Petitions for the Winding up of the above-named Companies by the High Court of Justice were, on the 19th day of February 1979, presented to the said Court by the Commissioners of Customs and Excise of King's Beam House, 39/41, Mark Lane, London, EC3R 7HE, and that the said Petitions are directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 26th day of March, 1979, and any creditor or contributory of any of the said Companies desirous to support or oppose the making of an Order on any of the said Petitions may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of any of the said Companies requiring such copy on payment of the regulated charge for the same.

G. F. GLOAK,
King's Beam House,
39/41, Mark Lane,
London, EC3R 7HE.
Solicitor to the Petitioners.

NOTE: Any person who intends to appear on the hearing of any of the said Petitions must serve on, or send by post to, the above-named notice in writing of his intentions so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than 4 o'clock in the afternoon of the 23rd day of March, 1979.

BANQUE DE CREDIT INTERNATIONAL, GENEVE
EN LIQUIDATION CONCORDATAIRE
CONFORMEMENT à l'Article 43 de l'Ordonnance du Tribunal Fédéral du 11 avril 1935 concernant la procédure de concordat pour les Banques et les Caisses d'Epargne, les liquidateurs ont dressé un état du patrimoine réalisé et non encore réalisé au 31 décembre 1978 et un rapport sur leurs activités jusqu'à cette date et les ont transmis à la Commission des créanciers pour être communiqués à l'autorité de concordat.

Les créanciers pourront en prendre connaissance au Siège principal de la Banque, 15, rue du Jeu-de-l'Arc, 1207 Genève.

Genève, le 28 février 1979
Les liquidateurs:
DELOITTE HASKINS & SELLS S.A.
Robert Pennone
PIERRE ENGEL
CHARLES WINTSCH

The following is a "free" translation of the above official notice:

INTERNATIONAL CREDIT BANK, GENEVA
IN LIQUIDATION UNDER SCHEME OF ARRANGEMENT
IN ACCORDANCE with Article 43 of the Ordinance of the Federal Tribunal of 11th April 1935 regarding the procedure in Schemes of Arrangement for Banks and Savings Banks, the Liquidators have drawn up a Statement of Assets Realised and not yet Realised as at 31st December, 1978 and a Report on their Activities up to that date and have forwarded them to the Committee of Creditors for transmission to the Authority of the Scheme of Arrangement.

Creditors may inspect these at the Head Office of the Bank, 15, rue du Jeu-de-l'Arc, 1207 Geneva
Geneva, 28th February 1979
The Liquidators:
DELOITTE HASKINS & SELLS S.A.
Robert Pennone
PIERRE ENGEL
CHARLES WINTSCH

No. 00610 of 1979
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of NARIEGLOW LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 20th day of February 1979, presented to the said Court by PHILIPS ELECTRICAL LIMITED whose registered office is situate at Abacus House, Gutter Lane, Cheapside, London, EC2, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 26th day of March 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

POLLARDS,
55-59 Oxford Street,
London W1R 1RD.
Solicitors for the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 23rd day of March 1979.

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matters of:
No. 00656 of 1979
IAN ROSS (CONTINENTALS) LIMITED
No. 00656 of 1979
KIRKHAM PRODUCTIONS LIMITED
No. 00657 of 1979
L. AND J. BURKE LIMITED
No. 00659 of 1979
P.M. TAXIS LIMITED
No. 00660 of 1979
PETER D. GURNER (DESIGNS) LIMITED
No. 00662 of 1979
SNOWCLEAR LIMITED
No. 00663 of 1979
T. BYRNE (PLANT HIRE) LIMITED
No. 00664 of 1979
ALLAN BLACKBURN ENTERPRISES (LONDON) LIMITED
No. 00669 of 1979
A. BLACKBURN AGENCY LIMITED
No. 00670 of 1979
BENWIG BOOKS LIMITED
No. 00674 of 1979
YRJIK LIMITED
and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that Petitions for the Winding up of the above-named Companies by the High Court of Justice were, on the 26th day of February 1979, presented to the said Court by the Commissioners of Customs and Excise of King's Beam House, 39/41, Mark Lane, London, EC3R 7HE, and that the said Petitions are directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 2nd day of April, 1979, and any creditor or contributory of any of the said Companies desirous to support or oppose the making of an Order on any of the said Petitions may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of any of the said Companies requiring such copy on payment of the regulated charge for the same.

G. F. GLOAK,
King's Beam House,
39/41, Mark Lane,
London, EC3R 7HE.
Solicitor to the Petitioners.

NOTE: Any person who intends to appear on the hearing of any of the said Petitions must serve on, or send by post to, the above-named notice in writing of his intentions so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than 4 o'clock in the afternoon of the 30th March, 1979.

No. 00708 of 1979
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of LENNON & WHITE (SOUTHERN) LIMITED and in the Matter of The Companies Acts 1948 to 1967.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 28th day of February 1979, presented to the said Court by THE SECRETARY OF STATE FOR TRADE whose address for service is The Treasury Solicitor, 3 Central Buildings, Matthew Parker Street, London, SW1H 9NN, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 2nd day of April 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

TREASURY SOLICITOR,
Matthew Parker Street,
London, SW1H 9NN.
Solicitor for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 30th day of March 1979.

No. 00627 of 1979
In the HIGH COURT OF JUSTICE, Chancery Division, Companies Court. In the Matter of SWEDISH T.M.S. TRANSPORT MANAGEMENT SYSTEMS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 22nd day of February, 1979, presented to the said Court by PUMICE AGGREGATES LIMITED, Cameron House, 16, St. Johns Hill, Sevenoaks, Kent, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 26th day of March, 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his Counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

D. J. FREEMAN & CO.,
9, Cavendish Square,
London, W1M 9DD.
Ref: DJC/42182.
Tel: 01-636 4055.
Solicitors for the Petitioner.

NOTE: Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 23rd day of March, 1979.

COMPANY NOTICES

INTERNATIONAL DEPOSITARY RECEIPTS (IDR) ISSUED BY MORGAN GUARANTY TRUST CY OF NEW YORK REPRESENTING ORDINARY CONVERTIBLE CLASSE C SHARES OF BRASCAN LIMITED

A distribution of US$0.25 per depositary share, less any applicable taxes and fee will be payable on and after April 30, 1979, upon presentation of coupon No. 8 at any of the following offices of Morgan Guaranty Trust Cy of New York:
—New York (USA) ADR Section, 15, Broad Street
—Brussels, 35, avenue des Arts
—Antwerp, 62, Frankrijklei
—London, 33, Lombard Street
—Paris, 14, Place Vendôme
—Frankfurt, Stockerstrasse 38
—Zurich, Stockerstrasse 38
and at Banque Générale du Luxembourg, 14, rue Aldringer, Luxembourg.

BRAZILIAN INVESTMENTS S.A.
Sociedade de Investimento
DECRETO—LAW No. 1401
NOTICE IS HEREBY GIVEN that as from January 25, 1979, IDR shareholders may request an additional cumulative partial redemption of 20 per cent of the capital represented by their shares, for the six monthly period thereafter, against surrender of formal instructions and deposit of the IDR certificates at the office of Morgan Guaranty Trust Cy of New York, 35, Avenue des Arts, Brussels.

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

The booming German bank that is bucking a trend

BY DARRELL DELAMAIDE

BANDWAGONS ARE always hard to resist, especially when they are steaming ahead at full speed. The breathtaking expansion of German banks abroad is attracting not only the country's big commercial banks, but the whole range of regional banks, *Landesbanks* (central savings banks) and co-operative banks.

In spite of the allure, the largest commercial bank group in northern Germany, Vereins-und Westbank, is steadfastly refraining from jumping on this particular bandwagon. It deliberately refuses to establish a network of foreign offices or branches (excepting the de rigeur Luxembourg subsidiary).

Not that the bank, which reported a group business volume of DM 10bn at end-1978, has no interest in international business. On the contrary, Hans Joachim Bechtolf, a management Board member, estimates that 20 per cent of the group's credit business is with foreign customers. Including trade credits to German exporters, Bechtolf reckons that the bank's overall international business is proportionally on a par with that of Deutsche Bank.

Vereins-und Westbank is also one of Germany's most active underwriters for international bond issues. Scarcely a tombstone appears for a Eurobond issue without naming the Hamburg-based bank, often as the sole German representative in the underwriting group. And, claims Bechtolf, this Eurobond placing power is based primarily on foreign investors, the result of two decades of careful cultivation of large foreign institutions.

But the bank has no foreign offices, and no intentions of establishing any in the foreseeable future. "It's a deliberate, thought-out policy," says Bechtolf. "I once remarked, almost as a joke, that we would reconsider the policy once we reached the DM 10bn level. Now we're there, but I think we'll wait a while yet."

Nor does the policy stem exclusively from Hanseatic modesty or conservative banking practice. The bank is hardly timid in its domestic expansion, having forcefully extended its branch network in Hamburg, Schleswig-Holstein, and Lower Saxony through new branches and take-overs. Since the 1974 merger of Vereinsbank in Hamburg and Westbank AG, the bank has doubled its balance sheet volume. In the past three years, says Bechtolf, foreign business alone has risen 50 per cent.

The reasoning is simple. The regional bank's customer structure does not justify the expense of an overseas network.

The justification for the overseas expansion of most German banks is persuasive: West Germany last year overtook the U.S. as the world's leading exporter; the Deutsche mark is one of the world's two strongest currencies and the only one reliably free from sudden restrictions; and, of course, the much-publicised surge in direct investment of German industry overseas, particularly in North America.

Investing abroad

Even small and medium-sized companies, the corporate customer base for regional and savings banks, are investing abroad—a trend confirmed last month by a repeat from the IFO research institute in Munich.

Bechtolf concedes that overseas investment fever has infected Vereins-und Westbank clients as well. But, he maintains that the bank's combination of a classic correspondent network (mainly regional banks of similar standing) with extensive executive travel has enabled the Hamburg institute to service its own customers as well as gaining and keeping foreign customers.

The bank has twelve regional managers who divide up the (creditworthy) world. These credit managers (there is a parallel organisation on the issuing side) visit each country in their area once or twice a year as a matter of routine. They are usually on the road for three or four months out of the year.

And so, says Bechtolf, Vereins-und Westbank has a 25-30 per cent share of all German banking business in Thailand, for instance, and is actively involved in several mineral exploitation projects in Australia, Hong Kong, Singapore, Nigeria, as well as London and New York are frequent ports of call.

The flexibility of this modus operandi is evident from the fact that the bank has no exposure in Turkey and only short-term exposure in Iran.

The numbers, adds Bechtolf, make the trade-off clearer. "A single representative office cost a minimum of DM500,000 a year to maintain. Our entire travel budget last year (on the commercial banking side) was DM300,000."

Vereins-und Westbank, of course, is relatively small. It ranks only 26th among German banks, according to 1977 figures. The biggest of the regional banks, Bayerische Vereinsbank, by comparison, showed total group assets of DM65bn at end-1977, although it should be noted that mortgage business not usually handled by other commercial banks, accounts for more than half the balance-sheet volume for both Bavarian banks.

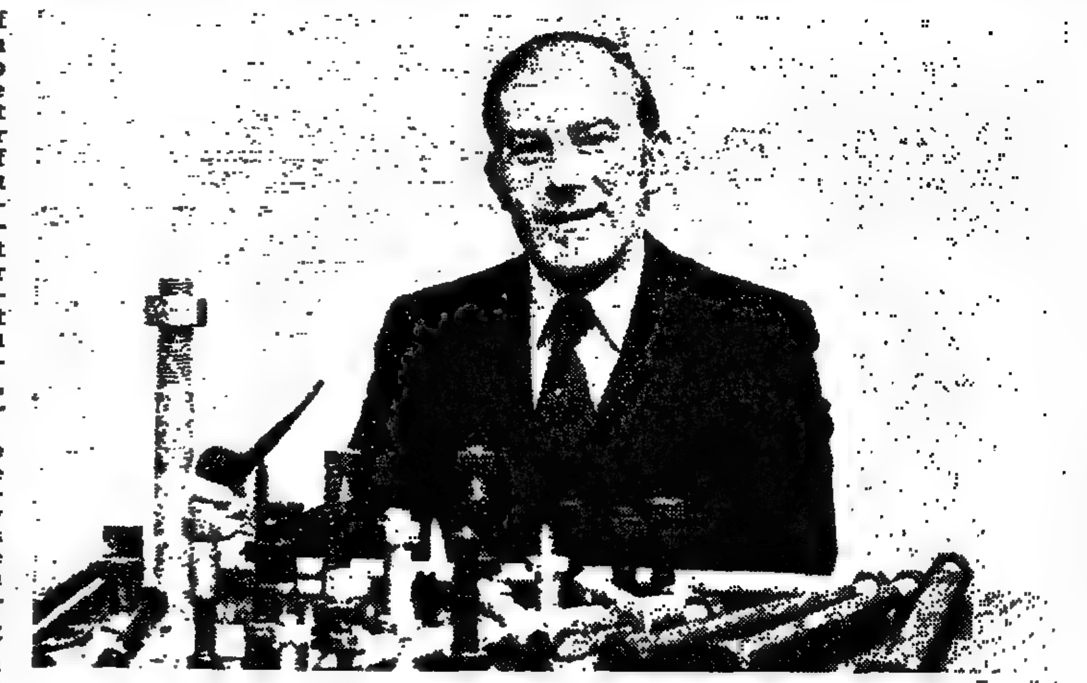
The Vereins-und Westbank policy can hardly serve as a prescription for larger banks, nor does Bechtolf exclude foreign branches once the bank reaches a certain size. None the less, the conscious refusal of a large regional bank—with traditional strength both in international lending and underwriting—to jump on a bandwaon of overseas expansion may have a message for the myriad institutions throughout Europe facing similar decisions.

Nicholas Leslie on why a company turned to factoring to help it expand

Nuts and bolts of cash control

FACTORING is a system of financial management which tends to polarise opinion into two camps. Its opponents argue that it is expensive and that there are better and cheaper ways of getting money out of debtors helping to control a company's cash flow. Its protagonists maintain the contrary. And they suggest that it can be ideal for the smaller company since it relieves obviously limited management resources of an administration burden which, if handled properly by the company itself, would prove excessively time-consuming and expensive.

Norris McCoy belongs to the latter camp. Admittedly, the company which he owns—Norpat Fasteners—has only been factoring its debt for less than a year. He is therefore still revelling in the first flush of financial freedom that factoring can undoubtedly provide, since it not only ensures speedy payment of debtors but can initially release a sizeable sum of money.



Norris McCoy: specialising in the heavier end of nuts and bolts. Terry Kirk

So he is unlikely to meet for some considerable time any of the drawbacks cited by the critics of factoring—including the major one that, once locked into it, getting out at a future date may prove to be excessively expensive.

Norris McCoy's prime reason for embarking on factoring was straightforward and understandable; he could see numerous opportunities to expand his business, but found that he was being hamstrung financially. Instead of being free to sell his company's services he was getting bogged down in the administration necessary to ensure that his cash flow remained healthy. Factoring, he has found, relieved him not only of that problem, but provided sufficient funds to embark on a programme of expansion without having to increase his debt.

Factoring is relatively new to the UK. It is only since the early 1960s that it has grown on any scale, though it has featured as a financing system for much longer in the U.S. Understandably, the big British clearing banks have moved into the business on a grand scale; it is a financial service that forms a convenient and natural adjunct to their other activities.

It also enables them to get more deeply involved with each business customer without having to increase their exposure so far as his debt is concerned since the money advanced is in payment for the client's assets. It could also be argued that a bank gets even better protection for any loans advanced to a company if its factoring subsidiary is also involved. For not only is the customer's cash flow being closely monitored, but the factor is being well paid for the service as well.

Basically a factor buys money that is due to its clients. Immediately an invoice has been sent out the factor normally pays its client 80 per cent of the sum due. The balance is paid once the factor has recovered the full payment. Most factors offer additional facilities, such as credit control, accountancy and collection, and may additionally bear the risk of bad debts (known as non-recourse factoring) though, of course, these are covered by insurance. Depending on the range of services that a company elects to take up and on its size factors charge fees of between ½ per cent and 3½ per cent of clients' turnover.

When a company first becomes a client of a factor, it can elect to capitalise a percentage of existing debtors, thus realising perhaps several thousand pounds which can be ploughed back into the business. But because the money represents cash due, it is not debt.

Though factoring has not grown in the UK as quickly as the industry had originally hoped in the early 1960s, it now seems to be expanding sharply. Statistics just released for 1978 by the Association of British Factors, representing an estimated 80 per cent of factoring turnover, showed that business volume rose by 38 per cent from £968m to £134bn, with the number of British companies using factoring increasing from 1,313 to 1,725.

Growth in the period was most significant among the small and medium-sized companies, with the average client turnover for the full service being just over £600,000.

This is just the category into which Norris McCoy's company falls. Now completing its fourth year of operation, turnover should emerge at around £500,000 for the 12 months to March, 1979.

McCoy launched Norpat, which deals in nuts and bolts, after disagreemnts within his previous company (in which he had a minority stake) convinced him that independence was his best bet. With 20 years in the trade behind him he started on his own with £10,000 and an overdraft, putting virtually all of his money into stock.

His belief that specialisation in the heavier end of nuts and bolts, and particularly in those with "hot-dipped spun galvanised finish," appears to be paying off so far. In the past four years his turnover has risen five-fold from an initial £100,000.

But, like so many others, his company experienced growing pains. While it was expanding, much of the business was with the building industry, where "they want cheap products and extended credit," comments McCoy. Cash flow was in the region of 77 days, financed by bank overdraft and creditors.

Administration, with very limited staff (even now there are only 14), was causing a headache since the nut and bolt business involves a very large number of individual sales and therefore a big volume of invoices. Difficulties in getting some payments settled (including county court judgments—"which were wasting my time; I should have been motivating more sales") were also experienced.

But more and more business was there if only McCoy could go for it. So he pressed both his accountant and his bank manager (National Westminster) to find a way for him to expand. The outcome was to consider factoring.

Not unnaturally, McCoy talked to Credit Factoring International, part of National Westminster, with the result that a deal was reached whereby CFI took over all Norpat's invoicing, collection, accounting, and related activities.

A settlement period of 77 days was agreed on, which meant that, if CFI collected a particular debt in a shorter period, it credited Norpat with interest on the 20 per cent outstanding' sum it owed (80 per cent having been paid over immediately the particular invoice had gone out).

If collection took longer, Norpat was charged interest on the outstanding sum. CFI's practice, in common with a number of other factors, is to re-set the settlement period if any fundamental change takes place. With Norpat, the settlement period is now 63 days.

This means that, on Norpat's current running annual turnover of around £550,000 an annual interest saving of £3,000 is achieved by reducing the settlement period—assuming, of course, that the business is being financed by overdraft. Normally, creditors and retained earnings for working capital will also be used to fund the business.

The charge made by CFI to Norpat on the basis of its £500,000 running turnover is £16,000 (just over 3 per cent) and on top of this it will be paying interest on the money it receives from CFI—probably around 3½ per cent over base rate. When Norpat began factoring last year it capitalised 60 per cent of its existing debtors—a sum of £48,000.

It is these charges which critics of factoring maintain are high. They also argue that factors can easily harm a relationship built up between a company and its customer by, for example, being too forceful in the way they seek recovery of debts.

Michael Maberly, a director of CFI, denies that this is the case. He maintains that the charges are very reasonable, in relation both to the cost of administration that a company would otherwise have to bear, and to the standard of financial administration that a company can plug into with most factors.

And while he acknowledges that there are occasions when a customer of one of its clients may object to the role of the factor, he claims that the great majority come to accept factoring relatively quickly.

For his part, McCoy sums up his feelings as follows: "I weighed up everything and felt that we could only go forward if we had money in the bank. You will always get a few customers who drift away at first, but they generally come back."

Citing the advantages of factoring, Maberly says that it is equally beneficial for financing exports. He cites one of CFI's customers, a large subsidiary of a tobacco group where exports represented £3m to £4m of its near-£40m sales. These were initially being financed by ECGD, but the company switched to factoring in an effort to speed up the rate at which it was getting payments from abroad, he says.

Clearly, the pros and cons of factoring depend largely on the amount of internal administration a company is willing to take on board. To date, McCoy is happy that he has made the right decision.

In the early days, when the company was just himself and his wife, Patricia (hence the name Norpat), 50 per cent of his time used to be spent on generating sales. The balance was taken up with buying, negotiating with manufacturers and, particularly, credit control (including getting debtors to settle). Now, his wife does most of the administration, giving him much more time to sell his services. He has been able to take on more sales staff at his Aylesford, Kent, works and business is expanding.

Sound advice for would-be job-hunters

SAGE parents who over the last 20 years have urged their offspring to take up a career in accountancy have been giving sound advice. Those ushering their children towards something a little more adventurous at the sharp end of industry like research, development and design may have been less wise, because the demand for these skills may be falling.

For 20 years MSL Group International, the management consultants, have been painstakingly monitoring all the executive jobs advertised in the UK Press. And at the end of the second decade of this task MSL finds a depressing sense of priorities among British companies.

The MSL Index charts the demand for executives by UK employers and according to Garry Long, managing director of MSL, it has fluctuated almost precisely with potential employers' views of economic prospects as illustrated in the CBI Industrial Trends Survey.

What is particularly interesting is the breakdown of job opportunities by function. Over the past 20 years the demand for people in research, development and design has declined from 7,382 advertised appointments in 1960 to 3,112 last year.

Long notes: "There is evidence to show that research development and design is often the first to suffer the employers' axe in times of stress. On several occasions when the economy has fallen into decline the R and D function has actually fallen ahead of the general index."

By contrast, MSL notes, the demand for accountants has risen steadily over the 20 year period, and has proved much less susceptible than other categories to economic misfortune and mismanagement.

Job opportunities within production not surprisingly closely reflect the general level of industrial activity, while sales and marketing appear to pick up at least three months before any industrial upturn, reflecting greater confidence. For the record, demand for sales and marketing men rose 7 per cent and 10 per cent respectively over the past two years, according to MSL.

Jason Crisp

LOMBARD

Disenfranchised Britons

BY REGINALD DALE

AN EXPENSIVE information campaign is now under way throughout the EEC designed to bring out the vote in the first direct elections to the European Parliament in three months' time. It must seem pretty ironic to the sizeable number of Community citizens, most of them British, who would be only too keen to vote but will not be allowed to. They are, after all, as taxpayers, helping to finance the information campaign.

The vast majority of the disfranchised Europeans are UK citizens resident in other Community countries. Nobody knows exactly how many of them there are, but they probably number up to half a million or more — about the equivalent of one whole Euro-constituency in the UK.

Magnanimous

Nearly all the other EEC countries have made arrangements for their expatriate citizens to vote in the June elections. All French and Italian nationals will be entitled to do so, regardless of where they live, as will all Germans, Dutch and Danes, and most Belgians, resident elsewhere in the Community. Luxembourgers will have to go home to cast their vote in the Grand Duchy, where they have been placed on a special register. The only way expatriate British private citizens will get a chance is if they live in Ireland or the Netherlands, the two countries that have magnanimously enfranchised all other resident Community nationals.

Britain has declined to alter its traditional rule—you get the vote only if you are on your local electoral register in the UK. The usual justification for this is that as an MP represents a specific constituency only genuine constituents should be allowed a say in his election. But it is not quite as simple as that. Last week's devolution referendums were not concerned with electing MPs, but Welsh and Scots living outside their countries were still not entitled to vote. It could well be argued that it might be difficult, if not impossible, to compile full lists of genuine Scottish and Welsh expatriates living in England. It would, on the other hand, have been perfectly simple to open a register of Britons living abroad at the time of the 1975 EEC referendum. Even so, despite vigorous protests, they were not given the vote.

In 1975 some of the most absurd and dangerous arguments were advanced, mainly by Labour anti-Marketeers, for excluding expatriates from the referendum. They had, it was said, "turned their back on Britain," thus forfeiting any say in their country's future. Even worse, those living in Brussels were likely to have a vested interest in Community membership and could not be trusted to vote impartially. What that meant was that people were to be deprived of their vote because of the way in which they might cast it, a denial of one of the most fundamental democratic principles.

Neither main party is totally guiltless. If the Labour Party has an instinctive dislike of expatriates, it also knows, or thinks it knows, that they tend to vote Conservative. The same calculation has been made by the Tories. Thus their bid to enfranchise the expatriates for direct elections, commendable though it was in itself, could be seen as tinged with self-interest.

It should not be impossible to devise a system to ensure that the elections are genuinely "Europe-wide" in time for the next poll in 1984. A further irony of the present set-up is that the British authorities, who are doing nothing for their own citizens abroad, have been asked to organise polling for Italian nationals resident in the UK. The votes of Italians abroad will be counted in the area in which they last lived before leaving home. The votes of Danes abroad will all go to the Copenhagen district.

Extension

Neither of these solutions is totally satisfactory. The best answer, which also happens to be consistent with the British principle of residential qualification, would be for all European citizens to vote in the constituency they lived in, regardless of whether it was in their own country or not. In Britain's case this would simply mean extending a privilege already granted to Irish and Commonwealth citizens to EEC nationals. It is to be hoped that the Speaker's Conference currently examining votes for Britons abroad will recognise that one does not lose one's democratic rights by crossing the English Channel.

Video systems begin battle to survive

IT IS possible that the world's electronic industries are now preparing for a battle the like of which has never been seen before—not in computers, colour television or even microprocessors. The war is different because at the heart of the matter is a battle over standardisation. The computer industry has its own accepted program languages, and although the world television map is broadly divided into three technical groupings—PAL (mainly Europe), SECAM (French and some other areas) and NTSC (America and Japan) —within anyone country a common standard prevails.

For the growing video industry, it is as if a home television viewer in the UK would require three television receivers in order to view BBC1, BBC2 and ITV.

The opening salvoes in the battle have begun with the videocassette, with the main contestants Philips, Sony and JVC. In the rear, Grundig and BASF also add smoke to the noise. All companies have videocasette systems between which the cassettes are not interchangeable—although BASF alone has yet actually to come to the market with their own system. Since each system must be technically different to serve PAL, SECAM and NTSC countries, it means that prerecorded programmes in at least 15 different standards would be needed to service every possible sector of the market.

Until now, for the early users of videocassettes the conflict has been of marginal importance since most are using the equipment as either an internal communications system (example within a company) or as a "time-shift" machine for recording television programmes at home off-air. But companies are now entering the prerecorded library business, offering feature films, entertainment shorts and leisure programmes. Against the background of standardisation chaos—with the need to stock titles in a variety of formats—the growth of the industry is under a severe handicap.

The problem was highlighted by various speakers in London last week at the Video Disc and Videogram 79 conference. No one is happy about the situation, but the manufacturers remain silent — Philips displaying more inscrutability than any Japanese could muster, JVC carrying on as if there was no other competition at all, and only Sony making some attempt to face the issue: in the words of Mr. W. Fulton, the UK Sony Managing Director, "Sony is convinced that there should be minimum world formats and general agreement as to standardisation . . ."

Agreement is hard to find, however, because Philips has invested heavily in its current VCR format and have a completely new machine ready for launching (although they refuse to confirm it); JVC is outselling everyone else with their VHS system (some speakers at the conference put it at 5:1 or more); and Sony has a long history of developing their own products and never taking licencees from other companies.

Yet this is only a local skirmish. The video disc promises the really big stakes, and Philips alone is ahead in this race with their VLP system now commercially available in Atlanta (under the name Magnavision), probably up to two years ahead of their rivals.

Early in February I went to Atlanta, where the player has been on sale since just before Christmas as the start of a cautious marketing trial. The player is in impossibly short supply (the first batch was a mere 38 machines, many bought by competitor companies). But supplies are now coming through and local dealers are confident of fulfilling outstanding orders very quickly: these probably now total 700 to 1,000. The retailers are unanimous in their enthusiasm for the product: "equalled only by the introduction of colour television," "sold more in the last month than videocasette recorders in the last three years."

Customers and potential customers to whom I spoke are also enthusiastic. Their prime interest is movies, especially the films that cinemas rarely show (old Bogart: films for the children). Sport and leisure also appeals. Complete freedom of choice dominates; a concept unknown to cinema and television audiences before. Movies on discs are priced at between $9.95 and $15.95, making them competitive with the price of cinema seats for a small family.

FILM AND VIDEO

BY JOHN CHITTOCK

Philips may be in the lead, but suddenly RCA have thrown the gauntlet down after years of uncertainty. RCA's video disc, which works on a different principle from the Philips VLP and is therefore incompatible, promises a much simpler and cheaper player and easier disc production. Until now, it had been difficult to regard RCA seriously—and this column had certainly written them off.

The situation changed in January when RCA announced their intention to proceed as quickly as possible to bring their system to the marketplace. No one has denied the quality of the RCA player, and having seen it in New York a few weeks ago I can confirm that there seems little to choose compared with the Philips picture quality, although I suspect the latter could be marginally better.

RCA's advantage is in the simplicity of the disc player. It seems little more complicated than an audio disc player, whereas the Philips machine incorporates intricate technology, including a laser. In consequence, RCA claims that its player will sell for only $400 (currently the Philips player is priced at $695).

Yet RCA's handicap is the absence of a freeze frame and slow motion facility. On the Philips machine, this allows the user to study stroke play and even—for one Atlanta movie buff—analyse the expressions on actors' faces. RCA reckon that such a facility is unimportant for the average customer; but my own conversations in Atlanta do not confirm this view. The Philips system can display on the screen a running counter which allows the viewer to pinpoint precise frame numbers, and I found two viewers who were using this to drool over a rather sexy display of leg in *Smokey and the Bandit*.

RCA will also take up to two years to reach the marketplace — possibly in alliance with Matsushita, which has its own disc system which could be made compatible. Meanwhile, Sony confirmed last week that it does have its own video disc system under development; optical, like Philips, but designed to also play digital audio discs, the ultimate for hi-fi enthusiasts.

Thomson in France is at preproduction stages with an optical system, which was giving really superb picture quality at last week's conference. JVC has a system which will be demonstrated in the coming months, and at least 35 other systems are at various stages of development in rival companies round the world. Few, if any, will be able to play the discs designed for other machines.

It is an absurd and reckless situation. Every manufacturer knows that only one or two can survive, and that in the battle for survival the expansion of the market will be held back, if not permanently damaged.

With the contestants each displaying uniquely different strengths — RCA's simplicity and U.S. retail domination, Sony's technical prowess, but Philips' two-year lead — a stalemate looks unavoidable. If only he were not otherwise engaged, it would be a classic case for Henry Kissinger. What *are* the manufacturers going to do about it?

The Last Light can defy his heavy penalty at Kelso

JONJO O'NEILL, still in the reckoning in the jockey's championship race as he slowly claws his way back into contention with John Francombe and Tommy Carmody, could be the man to follow at Kelso this afternoon.

RACING

BY DOMINIC WIGAN

O'Neill, who rode a staggering 149 winners last season for a winning percentage of 27.33 (fractionally behind Ron Barry's 28.6 achieved in 1972-73) looks likely to be on the mark through The Last Light, Keren Park, and Dorisimo.

The most interesting runner in this trio, in my opinion, is the tough 10-year-old, The Last Light, bidding to defy 12 st 1 lb in the day's feature event, the King's Own Scottish Borderers' Cup.

A good-looking chestnut gelding by Rubor, The Last Light continued his winning ways last season and was gaining a seventh course success at Carlisle when winning comfortably from Lucius.

This season, John Dixon's charge has continued to pay his way with two successes to his credit and he might well have made it three had he got going a shade earlier in the Rowland Meyrick Handicap Chase at Wetherby on Boxing Day.

The ground is likely to be good and with Irish Tony absent, The Last Light should have the class to win.

Keren Park, in the frame four times already this season, found Sanaava's Pearl just too good for him on the run-in to a 14-runner event at Carlisle last time out, but achieved enough in finishing second to suggest that he will be able to take advantage of a 10 lb concession from Albany Spirit in the opening division of the Crailing Novices Hurdle.

In the second division of that race, two-and-a-half hours later, Dorisimo will surely take a lot of beating. This well-made colt by Derby runner-up, Cavo Doro, out of Blessed Queen, was running on best of all when finishing third at Sedgefield last time out. Runner-up behind Great Monza in a 25-runner event at Teesside on his previous appearance, Dorisimo is given a reasonably confident vote over Vat Man.

KELSO
2.15—Keren Park*
2.45—Border Brig
3.15—Mr. Resistor
3.45—The Last Light**
4.15—Kelloe Brig
4.45—Dorisimo***
5.15—La Raine

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.10 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Playboard. 2.00 You and Me. 2.14 For Schools, Colleges. 3.20 Pobol y Cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Winsome Witch. 4.25 Jackanory. 4.40 Star Turn. 5.05 John Craven's Newsround. 5.10 Stopwatch.
5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.45 The Osmonds (London and South-East only).
7.15 Blake's Seven.
8.10 Miss Wales 1979.
9.00 News.
9.25 Play for Today.
10.40 Tonight.
11.20 On The Rocks.
11.45 Weather/Regional News.

All Regions as BBC 1 except at the following times:

Scotland—5.55-6.20 pm Reporting Scotland. 6.45-7.15 Sing Along With Sunshine. 10.40 European Sportscene: European Cup, FC Cologne v Rangers. 12.10 am News and Weather for Scotland.

Wales—10.00-10.20 am and 2.32-2.37 pm I Ysgolion. 5.55-6.20 Wales Today. 6.45 Heddiw. 7.10 Pobol y Cwm. 7.40-8.10 A Question of Sport. 11.20 Dechrau Siarad. 11.45 News and Weather for Wales.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55 Scene Around Six. 6.20 Land 'N' Larder. 6.45-7.15 Make Mine Country. 11.45 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol): South Today (Southampton); Spotlight South West (Plymouth). 6.45-7.15 East (Norwich) Does the Team Sink?; Midlands (Birmingham) Major Minor: North (Leeds) The Object in Question: North East (Newcastle) Looks Natural: North West (Manchester) Berni and Stu; South (Southampton) Hey Look . . . That's Me!: South West (Plymouth) Penninsula; West (Bristol) Krek Bristle.

BBC 2

6.40-7.55 am Open University.
10.30 On Union Business.
11.00 Play School.
2.30 pm The Business World.
3.00 Behind the Scenes.
3.30 Signs of Trouble.
4.00 Conversazioni.
4.50 Open University.
6.35 Schubert 1797-1828.
7.25 Animated Conversations.
7.30 Mid-Evening News.
7.40 The Master Game.
8.10 Life On Earth.
9.05 Call My Bluff.
9.35 Man Alive.
10.45 Late News.
11.00 The Old Grey Whistle Test.

LONDON

9.30 am Schools Programmes. 12.00 Issi Noho. 12.10 pm Pipkins. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.25 Tuesday Matinee: "Brother John." 4.20 Pop Gospel. 4.45 Magpie. 5.15 Emmerdale Farm.
5.45 News.
6.00 Thames at 6.
6.25 Help!
6.35 Crossroads.
7.00 Give Us A Clue.
7.30 Charlie's Angels.
8.30 How's Your Father?
9.00 ITV Playhouse.
10.00 News.
10.30 Once In a Lifetime.
11.15 For Better, For Worse.
11.45 In Concert.
12.15 pm Close: A look at Westminster Abbey with music by Vaughan Williams.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.00 Houseparty. 2.25 Raffles. 3.20 Out of Town. 3.50 The Electric Theatre Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 7.00 Survival. 11.45 Police Surgeon. 12.15 am Christians In Action.

ATV

1.20 pm ATV Newsdesk. 2.25 The Tuesday Movie: "Any Wednesday," starring Jason Robards and Jane Fonda. 5.15 Mr. and Mrs. 6.00 ATV Today. 7.00 Emmerdale Farm. 11.15 The Bullseye Grand Masters Darts Championship. 11.50 Something Different.

BORDER

11.20 pm Border News. 2.00 Houseparty. 2.25 Raffles. 3.20 Bygones. 3.50 Untamed World. 5.15 Out of Town. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 11.45 Border News Summary.

CHANNEL

2.25 pm Raffles. 3.20 The Practice. 3.50 You're Only Young Twice. 5.15 Mr. and Mrs. 6.00 Report At Six. 7.00 Treasure Hunt. 10.28 Channel Late News. 11.45 Police Surgeon. 12.10 am Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 2.00 Regions Report. 12.25 Tuesday Matinee: "The One That Got Away." 5.15 Mr. and Mrs. 6.00 Grampian Today. 6.05 Country Focus. 11.45 Reflections. 11.50 Brian Taylor—The First Time. 12.15 am Grampian Late Night Headlines.

GRANADA

1.20 pm Dodo. 2.25 Raffles. 3.20 Out of Town. 3.50 You're Only Young Twice. 5.10 Max the 2,000-year-old Mouse. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 University Challenge. 11.45 Oscar Peterson Presents . . . Count Basie.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.00 The Regions Report. 2.30 The Tuesday Matinee: "Lanigan's Rabbi." 5.15 Melotoons. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Treasures In Store. 7.00 Mr. and Mrs.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20-4.45 Goglis. 6.00-6.15 Y Dydd. 10.30 Bywyd—Gwyl Gorawl Caerdydd 1979. 11.15-11.45 World in Action.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 pm News and Road and Weather. 2.25 Fireside Theatre. 3.20 Regions Report. 3.50 Out of Town. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.30 What's Your Problem? 7.00 Emmerdale Farm. 8.30 Thingummyjig. 11.45 Late Call. 11.50 Stars On Ice.

SOUTHERN

1.20 pm Southern News. 2.00 Houseparty. 2.25 Raffles. 3.20 The Family. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Day By Day including Southsport. 7.00 Emmerdale Farm. 11.15 Southern News Extra. 11.25 For Better, For Worse. 11.55 Police Surgeon.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.25 Raffles. 3.20 Untamed Frontier. 3.50 Bailey's Bird. 5.15 Mork and Mindy. 6.00 Northern Life. 7.00 Emmerdale Farm. 11.45 Epilogue.

ULSTER

1.20 pm Lunchtime. 2.00 Regions Report. 2.30 Tuesday Matinee: "The One That Got Away," starring Hardy Kruger. 4.18 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdale Farm. 11.15 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 Raffles. 3.20 The Practice. 3.50 You're Only Young Twice. 5.15 Mr. and Mrs. 6.00 Westward Diary. 7.00 Treasure Hunt. 10.28 Westward Late News. 11.45 Police Surgeon. 12.10 am Faith For Life. 12.15 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 2.25 Raffles. 3.20 Calendar Tuesday. 3.50 The Entertainers. 5.15 Doctor On The Go. 6.00 Calendar (Emley Moor and Belmont edition). 7.00 Emmerdale Farm.

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Mike Read. 4.31 Kid Jensen. 7.00 Personal Call. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Harry Rowell's Open House (S). 2.30 David Hamilton (S). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.45 Sports Desk. 7.02 On the Third Beat (S). 7.30 Folk 79 (S). 8.02 Tuesday Night is Gala Night (S). 9.02 Ian Wallace presents Those Musical Years (S). 9.55 Sports Desk. 10.02 Laughter in the Air. 11.02 Brian Matthew introduces Round Midnight including 12.00 News. 2.02-5.00 am You and the Night and the Music with Ruth Cubbin (S).

RADIO 3

†6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Berlioz (S). 10.10 Cantilena (S). 10.55 In Short (talk). 11.05 Gerhard and Bartok: Violin and piano recital (S). 11.45 BBC Welsh Symphony Orchestra (S). 1.00 pm News. 1.05 The Arts Worldwide. 1.25 Song Recital (S). 2.10 Music at St. George's Bristol (S). 3.10 Quintet of Winds (S). 3.55 Ragtime From the 1890s to the 1930s (S). 4.55 Jazz Today (S). 5.25 Homeward Bound (S). †5.45 News. †5.50 Homeward Bound (continued). †6.15 At Home. A Musical in Brief. "Oklahoma" by Rodgers and Hammerstein II. 7.10 Glenn Gould piano recital (S). 7.30 BBC Scottish Symphony Orchestra, part 1: Bennett, Elgar (S). 8.05 Celia Fiennes: Reading from her journal. 8.25 BBC Scottish SO, part 2: Bruckner. 9.35 Drummer Hodge: Poetry and song of the Boer War (S). 10.25 Salzburg Festival 1978 violin and piano recital (S). 11.00 Building a Library of records (S). 11.55-12.00 News.

VHF only—6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.30 Today: Magazine, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 Local Time. 10.30 Daily Service. 10.45 Morning Story. 11.00 Thirty-minute Theatre. 11.30 Redeeming the Times. 11.45 Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.20 Desert Island Discs. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.10 Questions to the Prime Minister. 3.35 The Tenant of Wildfell Hall (S). 4.30 Announcements. 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Just a Minute (S). 7.00 News. 7.05 The Archers. 7.20 File on 4. 8.00 A Legend In His Lifetime: Tribute to Dr George Thalben-Ball organist (S). 8.45 Science Now. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The News Quiz (S). 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 All That Jazz. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time. From 1.05 Join Radio 2.

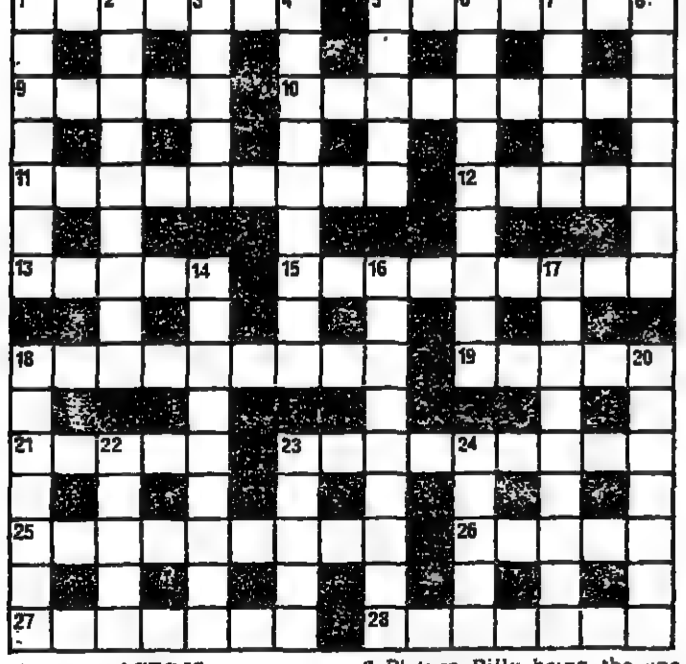
London Broadcasting

5.00 am Morning Music. 6.00 AM: News, information, travel, sport. 10.00 Brian Hayes. 1.00 pm LBC Reports. 3.00 George Gale. 4.00 LBC Reports (continues). 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Your Mother Wouldn't Like It with Nicky Horne (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 3,914



ACROSS
1 Examination about drill is revolutionary (7)
5 Copper darts around in sweet accompaniment (7)
9 I pry around a row (5)
10 Spoil fish in eastern fat (9)
11 Fair lady holding a gun for game (9)
12 Supplementing oriental monarch (5)
13 Stop about nothing in bend (5)
15 Cut more ancient fuel container (3-6)
18 Chant and reveal it's only one (9)
19 Airman I put in race is silent (5)
21 Root round end of shrub for automaton (5)
23 Follows rich and poor males but precedes thief (6-3)
25 A bit of bread and fish is decaying (9)
26 Put it in the tax (5)
27 Home to encourage savings (4-3)
28 Extract, except with added direction (7)

DOWN
1 Public transport of miscellaneous contents (7)
2 Bind wrong variety and overthrow (5, 4)
3 Deal with excursion (5)
4 Fruit, easily digested, in the glare of publicity (9)
5 Swear by remedy round the south (5)
6 Picture Billy being the one wrongly blamed (9)
7 A politician I must follow as an excuse (5)
8 Underwater excavator or sprinkler (7)
14 Friend with a place to eat what is tasty (9)
16 Being out of order, you sang, e.g. in this place? (9)
17 Slaughterer put up notice and Frenchman froze (9)
18 Nomadic Arab in South African race gets nowhere initially (7)
20 The most rigid three quarters in test (7)
22 University players in slow sad song (5)
23 Fetch boy's first hoop (5)
24 Caper with worker in charge (5)

SOLUTION TO PUZZLE No. 3,913

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Warehouse

Alone Yes

by B. A. YOUNG

The indefatigable players of the Royal Shakespeare Company, finding time on their hands, are putting on two short shows at the Warehouse for, alas, too few performances. *Alone Yes*, whose title is Greek to me, is a pocket revue for the upper-middlebrows. With only modest leisure to put it together, Cicely Berry (and the group) have built it from ready-mades, but the choice has been good, and the result is fresh and even topical.

The names of D. H. Lawrence, John Milton, Rainer Maria Rilke and T. S. Eliot among the contributors need scare no one. Milton is represented by his account of Samson pulling down the pillars, and it is astutely contrasted with Peter Terson's description of a football-ground filling up on Saturday—an extract from *Zigger Zagger* of surprising poetic achievement. Lawrence's "Humming Bird" makes an apt introduction, and Eliot's lines from "The Waste Land" about the emptying pub make an apt farewell, except that two short items follow it. Rilke's Cornet, riding, riding, riding through the night and through the day is spoken to a thrumming guitar accompaniment. So is Coleridge's "Kubla Khan." Who would have thought that this schoolroom favourite would make such an effective revue number?

On the lighter side there are pathos and disgust as well as fun; indeed most of the fun has a cutting edge to it. The "Egon Ronay Good People Guide," borrowed from Monty Python, is perhaps the least loaded, the most immediately laughable. There is an extract from Lennie Bruce's "How to talk dirty and influence people"; there is Gayelord Hauser on why you shouldn't wear red after fifty; there is an extract from the Gospel according to Lawrence Ferlinghetti ("He said the cat who really laid it on us was His Dad"); there is a dreadful bit about the operations that Janet Harker, for long one of my private ogres, carries out on cockroaches.

The songs are of course all in the pop idiom, and it would be silly to expect anything else in a quickly-assembled show. But oh, where is the popular music by Harrison Birtwistle, Peter Maxwell Davies, Richard Rodney Bennett? Britten could do it, so could they if they wanted to. Still, at least we can find little masterpieces like the song about Norma Jean (alias Marilyn Monroe) that Charlotte Cornwell sings so movingly into her microphone, or the happy grotesquerie of the "Bedlam Boys are bonny" chorus.

Besides Miss Cornwell, the group contains Ron Cook, Geoff Hutchings, Dominic Jephcott, Nigel Terry and Simon Rouse. They are only playing until tomorrow. Then another lunchtime show takes over, with a latenight fixture as well on Thursday. If it's as enjoyable as this one, go.

Leonard Burt

Charlotte Cornwell

'Peace and War' by Rubens

National Gallery

Rubens' allegorical masterpiece

by ROY STRONG

The last in the present series of *Painting in Focus* exhibitions at the National Gallery concludes with a grand finale, Peter Paul Ruben's *Peace and War*, the picture presented by the painter-diplomat to King Charles I and executed while he was actually in England. Here, in one large sumptuous canvas, we have epitomised the aspirations of a civilisation. Rubens, whose own horror of war stemmed from his childhood experiences of the strife-torn Flanders of the religious wars of the late 16th century, pays tribute, in the baroque language of allegory, to the virtues of peace, and not only that which he himself is negotiating between England and Spain, but, by implication, the peaceful domestic rule of Charles I.

But let us, in an age which finds it difficult automatically to read these compositions in which abstractions take human and animal form, begin by dwelling on the paint as it sweeps and crumbles its way across the surface. Could anything be more delightful than the two little girls in their satin dresses who are bidden to taste the fruits falling from the cornucopia? How Rubens must have loved painting the little one with her huge lustrous eyes who alone seems to upset the stately tableau by forgetting her part in the pagent and shyly peering out at us. And what could be more *bravura* than the rendering of the luscious cascading fruits and the leopard that rolls on his back, his claws entangled in the tendrils of the vine!

But we must not forget that we are here to read a message, for Rubens the diplomat is spelling out to Charles I the blessings of making peace with Spain. Peace, a typically plump nude, sits feeding the infant god of riches, Plutus. Her female attendants celebrate her imminent success, one with the music of her tambourine, another by carrying a vast golden bowl piled high with plate and jewels. A satyr presides over the natural plenty in the form of the fruits of the earth which fall from a cornucopia taming the leopard and promising benefits to the children, one of whom is crowned by Hymen, god of marriage. Peace, in other words, embraces family stability. In the background Mars and a fury are banished by Wisdom in the guise of the goddess Minerva who pushes them *forcefully* with her shield, while above, a *putto* bears the emblems of peace. This was . Rubens' greatest work executed during the period of nine months that he stayed in this country, savouring its landscape and revelling in its cultured court and splendid collections of antique and renaissance art

Rubens must have easily ensnared the tiny Stuart king with his connoisseur's taste and urbane charm, for any effort by Charles to exact some recompense for his ruined exiled sister and her husband, Frederick, Elector Palatine, whose homeland lay occupied by Spanish troops, was abandoned in favour of vague promises. 1629 was the year when Charles contracted out of the mainland of Europe and any involvement in the Thirty Years War and began his Personal Rule which set the country on the path to absolutism by divine right and sought to leave democratic institutions to moulder. Rubens' *Peace and War* prefaces this brief, fragile, misguided civilisation, a mirage in which the king pathetically believed. The trouble is that allegory can express a reality but it can also and often did, cover up one. The latter, if taken as fact, could lead to disaster, and it did.

With this in mind we need to focus our attention now on the second great picture in the exhibition, Rubens' other English masterpiece depicting St. George slaying the dragon, which is set in a highly romanticised vision of the Thames valley looking towards London. Here dawn breaks from behind a cliff to the right, the first shaft of light just hit by the trees. To the left, on the other side of the river, it is still night. Lambeth Palace, St. Mary Overy and other London landmarks are seen through the flicker of torchlight. A shepherd with his sheep warms himself by a fire in a nearby field. There is another shaft of light, this time from Heaven, which descends from two *putti* in the sky enveloping the Saint with a halo as he rescues his beautiful princess. Traditionally, these two figures are identified as Charles I and Henrietta Maria. St. George certainly looks like Charles I, a happy compliment to a king who reformed the Order of the Garter and made it a bulwark of High Anglican Laudian piety and ceremonial. Charles himself would have seen this picture in that light, himself as the Governor of the Church of England rescuing the maiden, symbolic of the Church, for such was how she was interpreted by commentators on the legend, and laying low the dragon of evil, her opponents (for him the Puritans).

The trouble with Charles I was that he was at his best in this pasteboard word in which he actually believed, although sadly it had no basis in reality. Year after year in the splendid masques at court he cast himself as the image of God come down for a brief period to reign on earth, whose very person embodied peace and all the virtues to his subjects. Unfortunately for the King many of them did not see him in quite the same light. It is tragic that one of the most glorious periods in our civilisation should have been expressive by means of the visual arts of the highest and most *avant garde* kind, of such a perverse and fatal political creed. No wonder the Parliamentarians executed him in front of the building which summed it all up, Inigo Jones's Whitehall Banqueting House, in which the god-king James I spirals his way to heaven in the ceiling painted by Rubens.

There are some other joys upon which to reflect. The *Mars and Venus* from Dulwich Art Gallery, in which Rubens reused the figure of Peace and the superb self-portrait, which he had presented to the King several years before his visit. Here Rubens presents himself as the ideal gentleman painter, gracious and elegant, with greying hair and beard and wearing a huge gallant slouched hat and cloak. Less good in quality but intriguing is the family group of Sir Balthasar Gerbier, the painter and connoisseur, with whom Rubens probably stayed during his visit. Conceived as a cross between a classical frieze and an Adoration of the Magi, the children move from right to left towards their mother enthroned on a dais nursing a baby with her husband, like St. Joseph, bending over her. Gerbier is a mysterious figure. He too came to England from Flanders and supervised the formation of the art collections of Charles's murdered favourite, the Duke of Buckingham, but later served the king. More important, he is a thread taking us through to the Restoration period. In 1660, when everyone was frantically trying to put the clock back to 1630, he designed the pageant arches for Charles II's ceremonial entry into London.

This is a small, charming, well-designed exhibition. The explanatory material is never over didactic or invasive, a lesson to us all. I would particularly recommend combining it with a visit to the National Portrait Gallery round the corner to see the loans from the Royal Collection, principally of Van Dycks. These reinforce the vision and the myth of Caroline England, for which art remains its greatest advocate and apologist.

Radio 3

Söderström

by MAX LOPPERT

Elisabeth Söderström and the pianist Martin Isepp ended yesterday's lunch-hour recital, broadcast from St. John's, Smith Square, with Musorgsky's seven *Nursery* songs. Listening to a Söderström recital on the radio rather than attending it in person, one subjects her singing to a kind of black-and-white test, which the performance of the Musorgsky cycle showed it to overcome triumphantly.

The captivating presence may have been missed, but the mercurial nuances of characterisation, and the quick, merry, never exaggerated portrayal of the sensations and humours of childhood were conveyed on the voice with an irresistible and magnetic artistry. The spoken introductions set the atmosphere quite as much as the masterly piano playing, finely judged alike in touch and length of pause. Debussy wrote of Musorgsky that in this cycle "he is unique, and will remain so, because his art is spontaneous and free from arid formulas." Of the soprano in this performance the same could be said.

Every recital Miss Söderström gives is interestingly chosen. This lunch hour was well filled, with Liszt, Emil Sjögren, and Wolf as well as Musorgsky. In the opening group of three Liszt songs on Hugo poems, the black-and-white test was somewhat harder to pass, for at this stage the voice lacked flow and roundness: dynamic contrasts required in the text were either ironed out or simply ignored. The songs by Sjögren, a Swedish composer from the latter half of the last century, were undistinguished—as two of the three had poems from the *Spanish Songbook*, it was wise to place Sjögren before Wolf, and the former's "In dem Schatten meiner Locken" before the latter's. Fortunately for Wolf, the familiar allure of the voice had by now come into play. In "Geh, Geliebter" in particular, the half-smoky, half-chalky tonal quality and the actress's ability to infuse the repetitions of the word "Go" with a pleading inflection implying just the opposite, were happily combined.

Wembley Arena

Earth, Wind and Fire

by ANTONY THORNCROFT

Earth Wind and Fire is the top selling black band in the U.S. It does not do too badly here, judging by the enthusiasm of a packed Wembley on Sunday which was standing on seats by the thousand before Maurice White, who orchestrates the remarkable spectacle, had had a chance to ask us whether we were "feeling alRIGHT."

The crowd, which looked mysteriously like a tamed heavy metal audience of a few years ago, was obviously determined to enjoy itself and there was much shaking and applause for the goings on. For Earth Wind and Fire is as much a vision as a sound, an entertainment of Las Vegas lavishness and Tiller Girl precision.

The music is funky disco merging into jazz rock and coloured with sackfuls of soul. It is played aggressively, with a four-strong brass section to beef up the ten-man band. But however good it is—and the creativity tends to sag after an hour or so—it is eclipsed by the showmanship. Earth Wind and Fire is a production number of Busby Berkeley pretensions.

For a start the musicians are dressed like Indian princes, with a touch of the Nile: it is as if a Turkish Delight commercial was given an unlimited budget, and it is hard to get tired of just looking at the ornate colours and drapes. Then they act with military uniformity, whether it is jumping in unision, high kicking as one man, or dipping in slow motion. Of course one feels that every bit of banter is rehearsed, but it is done so good naturedly that you accept the absence of real life.

Finally there are the tricks. On top of flashing lights and a set which suggests the mystic, meditative image of the group, are magical moments. In particular the bass player completes his solo stretched horizontal, six foot above the stage, and the band exit through a capsule which proves to be empty. They have disappeared to count their fortunes. Perhaps the gimmicks get in the way of the music; perhaps Earth Wind and Fire are not as sensational as their popular appeal; but it is hard to resist such a show. It might be empty and ephemeral but it is certainly entertainment.

Indian Music at Riverside

The Nataraj ensemble (David Heath, flute; Anup Biswas, cello; Christopher Cox, piano; Keshav Sathie, tabla) will give a concert of European and Indian classical music on March 9, at the Riverside Studios, W.6.

Formed in 1978 by Anup Biswas, Nataraj has recently returned from a tour of India.

New York dance

Twyla Tharp

by DAVID VAUGHAN

In Boston last summer Twyla Tharp and her company gave a series of performances that included sections of a work in progress. Startlingly, the piece involved dramatic situations and characters, such as allegorical figures named Order and Chaos and a four-person Greek chorus, spoken dialogue, and other elements not customarily found in Tharp's work, which hitherto had been exclusively concerned with the material of choreography itself, with movement and process. Even naturalistic gestures and grimaces had been used as part of this material and not for their mimetic content.

In her recent engagement at the Brooklyn Academy of Music, Tharp presented, under the title *Chapters and Verses*, further sections of this work in progress, intended eventually to be an evening-length theatre piece. Together with *Three Dances from the Film "Hair,"* they gave disturbing evidence of a new tendency towards expressionism in Tharp's work. I say disturbing because one would hope that her future development as a choreographer would be in the direction of new discoveries in movement rather than rehashing movement she has used before, varied only by the addition of extraneous subject matter. When used primarily as illustration, certain familiar elements of her choreography — the calligraphic scribbles of gesture, the gyrating and jiggling, the paroxysms and freezes, the threesomes and foursomes jostling and jockeying for position—begin to look dismayingly like cliches.

In the past, Tharp has not hesitated to use material derived from other dance sources, which she has then translated into her own terms: an eclectic assortment that would include vernacular dancing, both social and theatrical, as well as structural devices borrowed from other choreographers—Balanchine in *Give and Take*, Merce Cunningham in *After "Suite."* So that one should not perhaps be surprised to see a Jerome Robbins-style gang-bang and a battlefield scavenger out of Kurt Jooss, in the *Hair* dances, or a long disco sequence in *Chapters and Verses*—except that in these cases no Tharpian transformation takes place. The disco dancing is just that, or might as well be, and it seems like a waste of wonderful dancers like Sara Rudner, Rose Marie Wright, Richard Colton, William Whitener, and the rest.

Of course, one should not be premature in judging a work in progress; certainly there are some brilliant things, like Whitener's *Mickey Mouse Club* march in "The Nursery" section. Maybe the *Hair* dances will look better in the movie, but after seeing them in Brooklyn, I would say they should have been left on the cutting-room floor. In the context of these pieces, Tharp's new solo, *1903*, was puzzling. Danced to three songs by Randy Newman, it sometimes seemed to make reference to the lyrics and at other times went its own way. One would no doubt have been willing to take it at its face value, so to speak, as a virtuoso solo turn, were it not for its juxtaposition with these other overtly dramatic pieces.

Fortunately, no reservations have to be made in the case of the other new work given at Brooklyn, *Baker's Dozen*, a group dance for 12 members of her company (the 13th person implied in the title is perhaps the choreographer herself, who is not in the dance), and it is reassuring that this is her most recent work, since it shows her talent at its freshest and most spontaneous. *Baker's Dozen* goes by so quickly that analysis is impossible, yet it is unlikely that one would feel so invigorated and satisfied when it is over were it not formally perfect.

Festival Hall

LSO/Davis

That the Festival Hall should be sold out on a Sunday evening for an all-Sibelius programme, especially one containing *Finlandia* and *The Swan of Tuonela*, could cause no surprise. What might surprise was Colin Davis's attitude to the music. *Finlandia* would hardly have become the popular piece it is if given in so inhibited a fashion.

A similar limitation was applied to the Fifth Symphony. Admittedly Mr. Davis is an experienced conductor of Sibelius, and the players of the London Symphony Orchestra as of other British orchestras are well accustomed to the composer's sonorities. But the symphony needed more graduation and more power.

I found myself warming the most to the work which I usually find least satisfactory of the four in the programme. Sibelius's Violin Concerto, after its magically floating start, so often seems to set the player grinding away at its technical difficulties, and a Brahmsian severity seems to overtake the composer's own lyrical impulse. But Salvatore Accardo is a virtuoso able to reassert that impulse in a remarkable way.

A superb technical equipment seems to take him unscathed through those daunting octave passages, those long sequences of artificial harmonics. He spins the musical line like gold. He was, I thought, quite justified in declining the "tutta forza" which the composer stipulates near the end of the middle movement.

The last movement with its *polacca* rhythm was not the usual clumsy dance (polar bear rather than *polacca*) but was always airy. Collaboration between soloist and conductor was happy: only in the timing of the very last note was there a suspicion of a fault. A violinist from the land of Paganini is not one's first thought for Sibelius, but Mr. Accardo showed himself to be absolutely Sibelius's man, and a player of the first rank.

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China on probation

THE CHINESE have made the welcome announcement that they are pulling their troops out of Vietnam. There is little reason to doubt that this is what they intend to do. From the start they made clear that they considered their invasion to be a limited operation. They were almost certainly hoping for a repetition of their success in 1962 in humbling India's pride by a swift attack followed by an ostentatious withdrawal that demonstrated China's restraint. There has been no concerted propaganda campaign within China to arouse domestic opinion against the Vietnamese which would have suggested the Chinese envisaged a long campaign. In all probability they would now like to put the affair behind them as swiftly as possible.

Limited victory

But announcing a withdrawal is very different from successfully carrying it out. It is by no means clear that the Vietnamese—who are reported to have ordered a general mobilisation—intend to let the Chinese off the hook so lightly. They have five main force divisions in the area north of Hanoi which could be called on either to harass the Chinese as they pull back or possibly to attempt to pound them.

Until the situation on the ground becomes much clearer, there can be no final judgment on how successful the Chinese have been in their aim of teaching the Vietnamese a lesson. Militarily they can claim a limited victory in taking Lai Chau, Cao Bang and Lang Son—the three strategic posts in Northern Vietnam which have historically been the first barrier to any invader. But it has taken them longer than they thought and cost them far heavier casualties. They have also failed to draw into the fight in any significant way Vietnam's main forces and thus failed to humiliate its army.

Sympathy

On the diplomatic front the Chinese have had a good deal of sympathy for their operation. This is partly because there was genuine international indignation at Vietnam's invasion of Cambodia, and China's attack on Vietnam is seen as a just reprisal for it. In South East Asia in particular there was widespread alarm at Vietnam's ambitions for dominance in the region and that its seemingly invincible army strengthened Russian influence as well.

The Chinese have been able to demonstrate that the Russians do not rush to the help of an ally. But they have as yet been unable to press the Vietnamese into drawing back from Cambodia as they undoubtedly intended. The moral advantage they can now claim in announcing a withdrawal does not offset the stigma of their original invasion. Protests about this were muted in the west. There was no wish in the United States to upset the visit of Mr. Blumenthal, the Secretary of the Treasury, that marked the opening of the new American Embassy in Peking as there was no wish by the British Government to postpone the visit of Mr. Eric Varley, the Secretary of State for Industry, which has ended in a sizeable trade agreement. But China's resort to force—so soon after its professions of peace and friendship—has nonetheless come as a shock. It makes it more difficult to proceed with the sale of the Harrier or other sophisticated military equipment. It casts doubt about the steadiness and predictability of the Chinese leadership just as the west was beginning to accept China as part of the diplomatic community.

Vendetta

It raises queries about the capacity of the Chinese to assess the full implications of the decisions they take. Bankers would have reason to tread more cautiously towards a nation which seemingly goes to war so lightly. The hope must be that this is a once and for all mistake and that in future the Chinese will act with more circumspection. But for some time they must count themselves on probation.

As for the Vietnamese, the last few months have seen their already badly strained economy further taxed by the invasion of Cambodia and now by the attack from China. They desperately need a period of calm and to patch up their relations both with their neighbours in South East Asia and with the major powers. They will do no good by prolonging the war with China in an attempt to maul the Chinese army. The Russians and their East European allies will not want to finance them long in pursuing such a vendetta. They have already lost much of the aid they had from the west. It must be hoped that their call for a general mobilisation is not meant to be taken seriously.

Support for innovation

THROUGHOUT this century, company directors and governments alike have tended to confuse the process of industrial innovation with research and development. Boost R and D, they have argued, and British industry will be able to make and sell the new products which are so necessary if it is to remain a viable trading nation. Bitter experience has proved them wrong. Despite massive state spending on R and D, both in government establishments and through development contracts to industry, Britain has been markedly less successful than most of its main competitors at turning laboratory inventions into reliable, successfully marketed, and profitable products.

Improvement

Equally important is Britain's failure, relative to West Germany in particular, to respond to the market by gradually improving the quality and profitability of existing products, a process which often requires no research at all, but is most certainly another type of innovation.

Of course, there are major exceptions, both in particular industrial sectors (diesel engines and some construction equipment, for example) and in certain companies. But for the majority, the innovation process is still seen as the responsibility of the technical director, or the head of research and development, in spite of the fact that manufacture, finance and marketing are all integral parts of the process, of arguably more importance than R and D.

In the last few years, a welcome change in attitudes has begun to take place, both in the boardroom and in opinion-forming government bodies. In spite of its name, the Cabinet Office's Advisory Council for Applied Research and Development last month produced an exemplary analysis of the innovation process. Last week the (equally typically-titled) National Research Development Council reflected the new mood in its launch of a major drive to publicise its services as a provider of finance for innovation.

One of the differences between NRDC and private sector venture capital institutions such as Technical Development Capital, part of Finance for Industry (FFI), is that it has tended to back specific projects, rather than whole companies. Another has been its reputation for being interested only in technical development, rather than the subsequent production and marketing of products.

NRDC has come in for considerable criticism from the venture capital lobby in the last two years, not only for allegedly giving too little support to small companies, and too much to large ones, but for spending so little of its available budget.

Now, in an attempt to triple its annual rate of investment to about £18m, it is emphasising that it is perfectly willing to finance an invention right through to commercial success. And it is stressing its particular willingness to help small firms, although Mrs. Shirley Williams, Secretary for Education and Science, implied yesterday that additional facilities to aid the smaller entrepreneur were needed.

These recommendations, together with the deliberations of the Wilson Committee and Mr. Harold Lever (or his Tory successor), may soon stimulate new government initiatives in this field. Tax incentives of various kinds are an obvious option, as the ACARD report suggested. So are new forms of loan or grant.

New products

Of course the most important step any government can take to encourage innovation is to create an economic and fiscal climate which is conducive to risk-taking; the UK has a long way to go in this respect. But if specific assistance is to be made available from public funds to promote industrial innovation, then the shortcomings of past policies—in particular, the excessive preoccupation with research—must be taken fully into account. The focus of attention should be less on the laboratory than on the design and launch of new products and the improvement of existing ones.

After Iran: oil shortages begin to bite in Britain

BY KEVIN DONE, Energy Correspondent

THE loss of crude oil from Iran, the world's second largest oil exporter, was reflected almost immediately in the rash of panic and speculative buying that erupted in spot markets for both crude oil and refined products, especially in Europe. Actual shortages have taken longer to develop, but the problems besetting world oil supplies are now biting in the UK, not just in terms of general price rises, but also in specific instances of distributors being unable to meet local customers' needs.

The system of supply from oilfields in the Middle East to local customers in the UK filling up a tank with petrol or heating oil is long and complicated. But that system is now under severe strain, and it is plain that in isolated instances at least, supplies are simply not available on a local basis. For example some schools in the West Midlands have already had to close because of the lack of heating oil.

All the major UK oil companies, including market leaders such as Shell and Esso, are now monitoring very carefully what deliveries they are allowing to customers. In many cases they are limiting deliveries to the level they were in March last year—effectively a cut of about 3 per cent because of growth in market demand during the last 12 months. Several oil companies, Total and Burmah, for example, have gone further and have already instituted cuts in supplies for this month of as much as 20 per cent below the level of deliveries they were making a year ago. Most major companies have cut off supplies to casual buyers and are refusing new business.

The major companies and the Government appear to be agreed that the present problems do not constitute an emergency. The Petroleum Industry Advisory Committee, which consists of representatives of most of the major oil companies operating in the UK, met Department of Energy officials little more than a week ago and decided that emergency measures were not yet needed. A special task force was set up by the industry to keep the Department of Energy closely informed of events, on a daily basis if necessary. But the shortfall in supplies did not appear to be sufficiently acute for the Oil Industry Emergency Committee to be called into action. This is the body that would have been mobilised earlier this year if the threat of an all-out tanker drivers' strike had materialised.

The effects of the loss of Iranian exports on the major oil companies' crude supply systems started to become apparent at the beginning of the year. British Petroleum, the company most exposed to the turmoil in Iran, warned all its crude oil customers on January 2 that it would have to cut deliveries by 30-35 per cent in the first three months of 1979. Four weeks later letters went out warning of cuts of up to 45 per cent and BP's action was reflected quickly in a wave of contracts being cut back by force majeure declarations of varying severity from all the world's biggest oil companies, Shell, Exxon, Gulf, Texaco, Mobil, Socal and many others.

Saudi Arabia and some other OPEC producers hae agreed to temporary increases in their production and have helped to meet some of the shortfall of 5m barrels a day from Iran. For the rest—about 2m b/d—the oil companies have had to resort to drawing on their stocks in the oil-consuming countries.

The limited supplies of crude oil available for trading on the open spot market rapidly attracted massive premiums. Speculating traders were quick to bid up prices, but by the beginning of last month some of the majors, desperate to cover the needs of their subsidiary refining and marketing companies around the world, were persuaded to pay as much as $22 a barrel or more for isolated cargoes. The official OPEC price for the same crude is still $13.34 a barrel.

Panic buying of crude at such prices has been accompanied by panic buying of refined products, especially the lighter ones, petrol, kerosene, gas oil and naphtha, which is used for making petrochemicals.

The oil majors, with the resources available to them as some of the world's largest companies, have been able to live, however unwillingly, with prices at these levels. The vast majority of crude moving in their systems is still being bought at official OPEC prices, or near that mark. The very high spot prices would only be paid for relatively isolated, incremental cargoes. They have been prepared to pay up to $350-$360 a tonne for marginal cargoes of gas oil on the spot market, when the inland price for re-selling it in the UK is only about $190.

In the short-term the majors can stand the resulting losses on this small percentage of their business—about 5 per cent of the total market in crude oil—although their attitude could well change, the longer the problems in Iran continue. But the majors and "mini-majors," such as Conoco, Petrofina, Phillips and Amoco, are not the only oil companies in the UK market. The crumbs that are left from the giants' tables offer more than reasonable pickings in normal times for a grouping of small UK independent oil companies. It is in this sector, which meets no more than perhaps 4 per cent of UK demand for oil products, that the first examples are arising of oil companies being unable to fulfil orders, leaving their customers with empty tanks and perhaps no option but to close.

As an industry group, these small independents approached the Department of Energy nearly three weeks ago with a call for help. Not only did it go unheeded, but it appeared to company representatives at the meeting that the Government was barely aware that a problem existed

The Association of UK Oil Independents include such companies as John Hudson, Shaw's, Economat and Thomas Black. They are not well known except in their immediate localities where service stations advertise local brand names, such as Sadler, Bell, Thrust, Pace or Globe.

Typically each company might be handling up to ½m tonnes a year of oil products. The circumstances of each company vary widely, but they generally buy about 75 per cent of their supplies from the major oil companies refining in the UK and the rest comes from the spot market in Rotterdam. Spot purchases arrive in 20-30,000 tonne cargoes and are stored in tanks on the Thames, Humber or Mersey estuaries.

Most of the independents have their own small chains of service stations which they keep supplied with petrol, but normally it is the middle distillates, especially burning oil, which account for the most important part of their business. Their customers range from some factories and local authorities to domestic consumers.

These independents cannot carry the losses associated with buying on the spot market at present. And as the majors stretch their resources, quite naturally, to feed their own systems, normal supplies to the independents have suffered.

The small oil companies have usually been long-standing customers of their larger brothers. Contracts roll over on an annual basis, with prices and quantities being fixed on a quarterly or monthly basis.

Last year's level of deliveries

According to Mr. Paddy Firmston-Williams, chairman of the independents' association, his members have suffered cuts in supplies of up to 55 per cent of last year's level of deliveries. As long ago as mid-January his company, John Hudson, was told by Gulf that it could only supply 80 per cent of the requested supplies for February, March and April. A few weeks later Gulf decided to tailor supplies to levels of last February, said Mr. Firmston-Williams. In one area of the country John Hudson suffered a two-week strike in February last year, so the cut-back this year has effectively been almost 50 per cent. In another area this small independent only became a customer of Gulf in the second half of 1978. Cutback to supplies of last February means that now there is no allocation at all.

In terms of the UK market as a whole such incidents are small. Their impact is confined to a local area and indeed to an individual customer. But for the particular customer involved, being a "spot shortage" is little consolation. Walsall education authority in the West Midlands is a striking example of the problem.

It is supplied by John Hudson, usually in road tankers from Ellesmere Port. The usual quota of oil is not coming through from the major oil company supplier, with the result that Walsall, faced with reduced supplies, is making institutions such as hospitals and old people's homes first priority, while some schools are left to go without.

According to Mr. Andrew Smith, maintenance officer for the education department with responsibility for buying in oil supplies, the authority is suffering to the extent that two or three schools are already closed. If the cold weather returns, that number could easily rise to 10 or 11. Mobile classrooms, which have electric heating, are being used to provide a limited number of lessons. "We are giving priority to the nursery schools. In some of the schools with older children they are having to put their coats on in class.

"This is only the beginning of the problem. We envisage that we will have to close a lot more unless the situation changes drastically. We have contacted companies which are not our usual suppliers pleading for three to four days' supplies, but they cannot do anything for us. They can only serve regular account customers."

Problems with heating oil supplies in particular have been exacerbated by the very cold weather in January and February and the tanker drivers' dispute has not helped the continuity of supplies. Demand for heating oil from schools in Birmingham was up by 25 per cent, for instance, in the early weeks of the year. About 70 schools were closed because of lack of oil supplies, the problem arising directly from the weather and rail strikes and not from Iran. All the schools have since re-opened.

The oil market is not a simple place and it is difficult to generalise from particular instances. But problems at the consumer end of the supply chain are beginning to appear. A general letter sent last week by Shell UK Oil to customers demonstrates the point. "There are clear signs that some other companies are not supplying all of their customers' requirements. Significant additional orders and requests for supplies are therefore being received by us. We are not, of course, taking on any new customers." At the edges of the market, gaps are appearing and they are not being filled.

Burn more coal

The immediate avenue open is to reduce general demand to bring the market into line with available supplies. The International Energy Agency has called on its member countries in the industrialised world to cut oil demand by 5 per cent. The UK's initial response has been to suggest it can do much to meet this target by burning more coal in place of fuel oil in the power stations. It is an attractive political solution, but there are many in the coal and electricity industries and in Government who consider it impractical.

The Government wants the CEGB to burn about 5.5m tonnes of coal extra a year to save 2.5m tonnes of fuel oil. There are doubts, however, about whether enough railway wagons exist to carry the coal, and also about the Coal Board's capacity to supply it. It is uncertain, too, whether the CEGB would be able to meet peak winter demand without falling back on its oil-burning stations.

The Government must face other ways of reducing oil demand, but until it does, it is likely that the pattern of spot shortages, (much less than emergencies perhaps, but nonetheless serious) will be repeated in many parts of the UK.

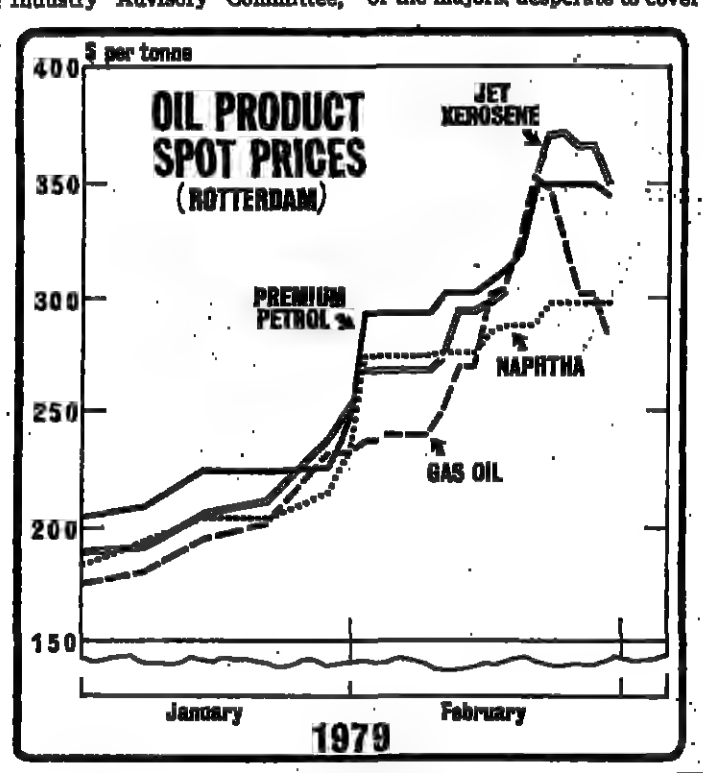
UK DELIVERIES OF PETROLEUM PRODUCTS FOR INLAND CONSUMPTION[1]

Thousand tonnes

						Kerosene				Gas/diesel oil				
						Burning oil								
							Standard							
	Total[2,3]	Butane and propane[4]	Naphtha (LDF)[5]	Motor spirit	Aviation turbine fuel	Premier	Domestic	Other[6]	Derv fuel	Other	Fuel oil	Lubricating oils	Bitumen
1977	81,918	1,320	5,179	17,336	4,165	559	1,677	391	5,711	13,914	27,772	1,029	1,847
1978[7]	83,932	1,315	4,895	18,347	4,508	532	1,701	417	5,875	13,562	28,117	1,023	1,888
Per cent change	+2.5	−0.4	−5.5	+5.8	+8.2	−4.8	+1.4	+6.5	+2.9	−2.5	+1.2	−0.6	+2.2

1 Calendar months. 2 Including other petroleum gases, aviation spirit, wide-cut gasoline, industrial and white spirits, and paraffin wax. 3 Excluding refinery fuel (and miscellaneous products prior to 1978). 4 Including very small amounts for petro-chemicals. 5 Now mainly for petro-chemical feed stock. 6 Including vaporising oil. 7 Provisional.

Source: Department of Energy: Energy Trends February 1979



MEN AND MATTERS

Irish to solve the French problem

It is just over two months since France took over the EEC presidency, and despite some more hopeful developments in Brussels yesterday I hear that diplomatic and journalists are already counting the days until June 30, whe nthe job of running the Common Market passes by rota to Ireland.

Not that the Irish are expected to work any miracles, but the hope is that they will exercise a modicum of leadership, and arrest the creeping paralysis of EEC decision-making since the French took the helm. Their main achievement to date has been cancelling or postponing almost as many meetings of the Council of Ministers as have actually been held.

Instead, ministers have concentrated on chummy bilateral negotiations with their counterparts in Bonn, ruffling the sensibilities of the smaller EEC countries, which have long feared the emergence of a Franco-German political directorate.

Nor have these undiplomatic get-togethers yet settled the main row on the agenda—that over French demands for reforming the labyrinthine farm finance mechanisms, which are in turn blocking the start of the European Monetary System.

Nor is there any agreement in sight on this year's EEC budget, whose validity France is disputing on doctrinal grounds.

The French have compounded their unpopularity by infusing some colourful Gallic administration into next week's EEC Summit in Paris. Until now, accreditation of journalists has always been handled by the EEC bureaucracy in Brussels. the individualistic French decided instead to insist on Brussels-based correspondents applying for passes through the national embassies in Brussels.

"And, he says, in the event of a diplomatic retreat the Harrier Jets can also jump backwards!

France's EEC mission failed to mention this until after the Quai d'Orsay had officially closed the accreditation . . . Then several embassies in Paris point out that a threatened French postal strike in some arrondissements means the applications may not arrive anyway.

Scribes lucky enought to negotiate all the obstacles have been told to boot, that the office where they can pick up the passes will be closed on the day the Summit begins.

Exam fever

A meeting will be held tonight at the House of Commons on what may well become a heated issue in the general election: the educational standards of comprehensive schools. The meeting will be in the office of Dr. Rhodes Boyson, the Conservative deputy education spokesman, to discuss giving wider publicity to research showing that A-level results in comprehensives tend to be far worse than those in Britain's remaining grammar schools.

Travelling from Manchester to confer in the Commons with other committee members of the National Council for Educational Standards will be Raymond Baldwin, the man behind the most conclusive evidence so far produced. He is chairman of the governors of Manchester Grammar School.

Members of the committee, with support from some distinguished educationalists, recognise that Baldwin's findings are a powerful weapon for Conservatives to win middle-class support at the hustings, when set against Labour's drive to eliminate all grammar schools. But Boyson also knows that this is a sensitive issue even among the Tories. He openly quarrelled about it six months ago with Norman St. John Stevas, shadow education secretary, who remains firmly against publishing "exam league tables."

Wandering weekly

A certain nervousness is in the air at the Jewish Chronicle, holding talks tomorrow with the National Graphical Association about its plans to move out of central London, the paper's base—except during the last war—since it was founded 138 years ago. The Chronicle's print-setting department is being closed at the end of the month.

Chairman David Kessler, in particular, seemed less than anxious to enlarge about how he will dispose of the Furnival Street offices.

The rates there, an estimated £40,000 a year, no doubt have something to do with the move.

The NGA is arguing that the paper should stay in the centre and save money by going over to photocomposition, but I hear neither side believes this to be a likely outcome of their discussions.

The move will be the Chronicle's tenth change of address. Next stop? "We'll go out towards the big conurbations," says editor Geoffrey Paul vaguely.

Great Scott

Roy Jenkins has been having talks with the man he fancies as new head of the EEC's office in London: journalist George Scott who retires from the editorship of The Listener next month. The job is currently still held by Dr. Richard Mayne, but Scott admitted to me yesterday that he and Jenkins have delicately discussed "the possibility of the vacancy."

Certainly, there have been repeated hints from Brussels that it is time for Mayne to move.

Although Scott, 53, says weightily that the appointment has to be "made through the well-laid procedures in Brussels," he is confident that he has the qualifications. It is, after all, the failures of communication which have been so often held against the EEC office. "I also have the political experience." adds Scott. "I have fought three elections as a Liberal candidate." Is he still a Liberal? "I would say I am."

Scott made his first forays into the media while at New College, Oxford, in the forties. He once even wrote an essay in the form of ua radio scritp, so agitating his tutor, Lord David Cecil, that he thrust a copy of *The Times* in the fire and dashed around holding it like a flaming brand.

Late aftertaste

Readers who carp about the slipshod inaccuracies of journals and journalists can take comfort that standards remain, at least over the Atlantic. The New York Times has just published the correction: "On the food page of February 18, the receipe for *saucissions a l'ail* should have included one teaspoon of finely-chopped garlic."

Observer

هكذا من الأصل

The options for monetary reform

BY ANTHONY HARRIS

THE EXTRAORDINARY turnround in the gilts market in the last two weeks looks like good news; but it has made a lot of people angry. In the Treasury this can be explained in very simple terms: the value of the £2.3bn of government stock which has been sold since minimum lending rate was raised briefly to 14 per cent has risen by over £250m in a few days, and yields have fallen by nearly 2 per cent. Debt service will cost up to £50m more annually for many years to come than it now appears it need have done; and this is only the latest of many such incidents.

However, brokers and even some investors in the City, who have profited from the stampede, appear equally angry. They talk of the gilts market reduced to a disorderly casino, in which idiots can make money as readily as the sagest analysts. Many suspect that interest rates have been driven to unnecessary heights because of technical faults in the system of monetary management, and that as a result the monetary control which is the object of the whole exercise will be undermined by speculative flows across the exchanges.

Bankers are also grumbling. The system of control which has evolved since 1971 now involves extremely complicated problems of day-to-day management, while it inhibits or prohibits enterprising expansion, and may in the end drive credit flows out of the banking system. Meanwhile, the unspoken fear in all quarters is that the politicians may be driven to attack the whole mess directly, through controls on credit and investment.

Most of these criticisms are echoed by someone of importance within the official machine, so that both among the authorities and in the City there is a stronger interest in radical reform of the British monetary system than for a long time past. The consequential changes of such reform would be likely to have profound effects in the securities market, and could lead to important changes in banking, and possibly in the constraints facing future governments.

So although so far there is nothing remotely like a consensus on what should be done, there is a good deal of support even among usually secretive officials for an open discussion of what might be done. This is not just a matter, as it was in 1971, of preparing City opinion for a change which has been decided upon. There has been a sharp drop in self-confidence and mutual respect among the officials involved, and some constructive guidance might be welcome.

Tangle

The simplest place to pick up what is a bewildering tangle of threads and choices is in the gilts market, the scene of the most obvious dramas. Long-term funding of official debt has a unique importance in the British monetary system, because it is only through long-term funding, either through the gilts market, or through the national savings movement, that official spending above revenue can be financed without inflating the money supply. (There are exceptions to this rule: for example, sales of certificates of tax deposit, or direct borrowing from the public b vthe local authorities, are officially counted as funding, but this often proves to be a very unreliable source of comfort.) Broadly speaking, monetary control depends upon the sale of reasonably long-dated official debt.

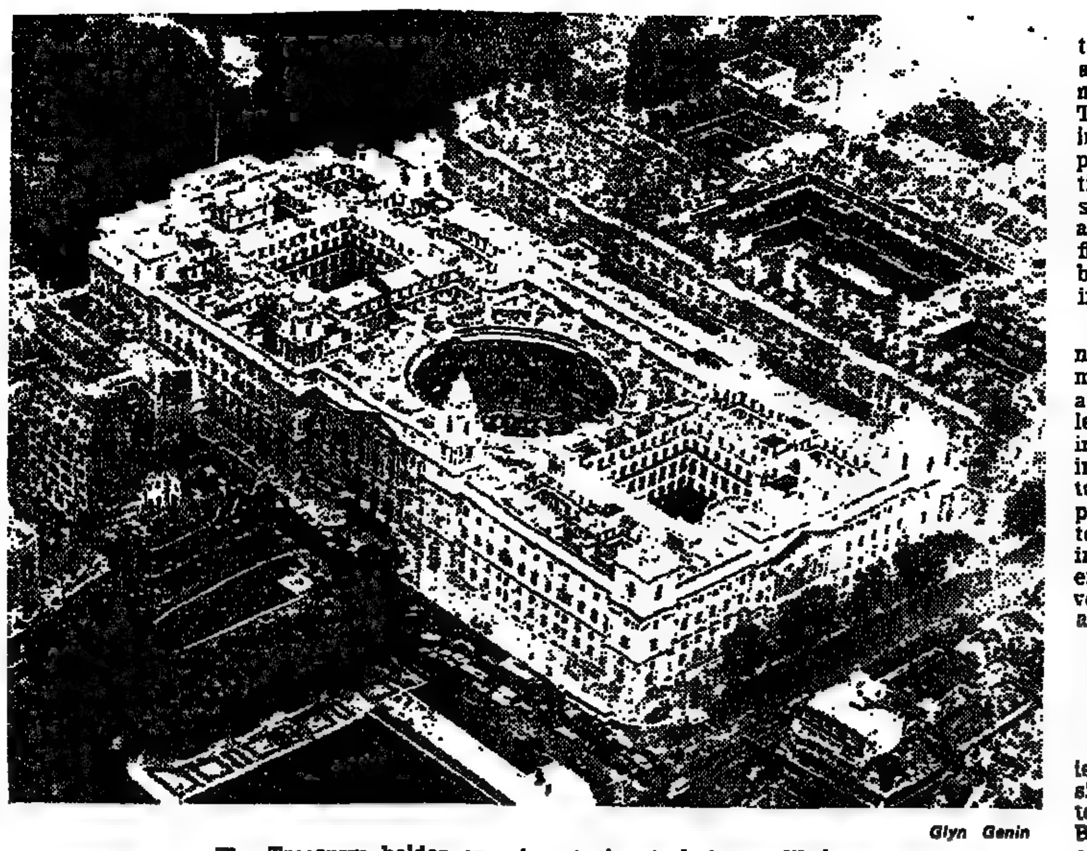
No other system places the same emphasis on long-term funding, and the more radical critics of official policy, such as the stockbrokers W. Greenwell and Son, argue that the proper response to recent problems is to change the rules and operate more as other countries do.

However, the British system has its defenders. Fundamentalists point out that reliance on long-term funding does force the Government to match its borrowing to the likely flow of long-term savings, so that there is a very clear and direct link between monetary policy and Budget policy, which is blurred elsewhere.

Furthermore, the system does seem to work, even if the cost is excessive: British credit growth, and the sterling exchange rates, have been controlled fairly smoothly in an otherwise turbulent world. On this view the aim of any reform should not be to reduce the importance of long-term funding, but to make it more efficient and less costly.

There is more agreement about what is wrong than about how to put it right. The present troubles are vividly described in the Greenwell circular calling for radical reform. They arise simply from the combined facts that investors like to buy on a rising market, while the authorities are forced to sell. This means that as soon as prices look high enough to be vulnerable, buying slows to a trickle, and that as funds pile up awaiting investment, the money supply rises apparently out of control.

In the end this jam is broken when the authorities take action to tighten credit, interest rates rise and the market falls; and the authorities then catch up with their funding by selling large quantities of stock at the bottom of the market. When the market took months to rise, some low-cost funding could be achieved on the way up; but experience has made the market more unstable, and the recent rise has been too fast to allow any funding opportunities.



Glyn Genin

The Treasury: bolder experiments in stock issues likely

Two answers to this problem are proposed. One approach is to sell stock more aggressively month by month, either by adjusting official "tap" prices far more readily, both upwards and downwards, than has been the custom, or by auctioning long-term stock on the lines of the monthly auction of Treasury Bills. This looks like a proposal to make the market still more unstable; but it is argued that by keeping funding on target, and so making monetary management crisis-free, a more aggressive approach would prove stabilising.

There is a risk here. The unique importance and size of the gilt-edged market in relation to the size of the UK economy means that there is no useful example from which to forecast the result of more aggressive tactics: the tap system is supposed to be stabilising, and for considerable periods can be so. Furthermore, an auction system probably would require a whole new class of intermediary bond bankers to take up new issues and sell them to investors.

However, there is an alternative approach. This starts from the argument that the real trouble is the type of stock offered. Funding relies almost exclusively on stocks which offer a fixed money return. These are bound to look less attractive whenever interest rates seem likely to rise, or when inflation seems likely to accelerate. In other words, monetary control depends on selling stock, but stock is hard to sell whenever the money supply is tending to rise too fast, or when the exchange rate is looking vulnerable—just when control is most needed. Crises are built into the system.

The alternative answer is not to push fixed-interest stock on a weak market, but to offer more attractive alternatives. The broad alternatives are indexed stocks which would protect the investor from inflation, North Sea or other similar stocks with a basis in real activity—"national equity"—or floating-rate stocks which would be proof against a rise in interest rates.

This kind of innovation does not scare the authorities so much as the aggressive-selling approach, since it would at least leave the tap system intact; and in fact there have been a few innovations. BP stock was sold to an eager market, the part-paid formula has been adopted to ensure future flows of fixed-interest money (but also enables speculators to go in for very profitable margin trading, as we have just seen).

Experiments

There have also been two issues of floating-rate stock; but since these have a yield linked to the discount on Treasury Bills rather than the yield (a one-year Bill sold at a discount of 10 per cent would yield just over 11 per cent), they are rather a poor protection against rising interest rates, and have not sold well.

Bolder experiments on these lines—possibly including a very long-dated or irredeemable indexed stock—probably are the Treasury favourites for immediate reform.

However, smooth funding would not necessarily solve all the problems. It is still very difficult to forecast public sector borrowing needs for a full year, and still harder to forecast the need month by month; but any mismatch between disbursements by the Government and funding to finance them would produce unintended swerves in the money markets.

It is not clear, for example, whether the irksome and stifling "corset" control on the banking system could be abandoned safely simply because the authorities could rely on a smooth supply of long-term funds, even if this could be achieved.

This causes worry both in the City and among officials. One solution favoured by some officials is to adopt a new target for monetary policy, since the present one, M3, is especially liable to be distorted by money-market transactions. A much narrower target such as M1, or a much broader one, including building society deposits, might respond more predictably to interest rates.

However, such changes will not satisfy the true radicals, who can point to the fact that any single measure of the money supply tends to become hopelessly distorted once it is the subject of official controls (a perversity now known as Goodhart's Law). The really radical approach would be to operate not so much on the money supply or actual level of credit as on the basic assets on which the banks can build their credit business—their reserves.

A control of the monetary base, it is argued, would be simple, effective and would remove the distortions which result from bringing all the official pressure on to one section of the credit market—long-term bonds. This move, essentially towards something more like the U.S., German and Swiss systems, would again involve radical changes in the City, notably in the role of the discount houses: and experience in other countries suggests that it it easier to describe such a system than to run it. And, to demoralised officials, its time does not look ripe.

Letters to the Editor

Growth of leasing

From the Managing Director, W. R. B. Colegrave.

Sir,—You report (March 2) that the Bank of England has received approaches from the clearing banks warning of the possible dangers inherent in the growth of leasing, and particularly in the growth of leasing by the non-banking sector.

I trust that in assessing this advice the Bank of England will bear in mind that it does not come from an impartial observer. The clearing banks are the largest operators in the leasing market, as they always have been, and until recently were obtaining exceptionally high returns from leasing business. Capital allowances on leased assets provide the lessor with a temporary interest-free loan from the Inland Revenue. Therefore the real value of this loan varies with the level of interest rates. But the value to the lessor will also vary according to the lessor's cost of money. The financial sector of the community tends to have a lower overall cost of money than the industrial and commercial sectors. Non-finance businesses have entered the leasing market and competition has brought down leasing rates.

Nevertheless, the return on leasing now available to the big banks is still higher than that obtainable from comparable medium-term leasing or hire-purchase transactions. There is probably therefore room for rates to fall further.

What is happening is that the clearing banks' hitherto snug monopoly in this market has been successfully challenged and they do not like it. The effect has been a healthy reduction in the cost of asset financing to industry. No doubt this point will not go unnoticed in Threadneedle Street. It is important that it should not, since there is no chance of the banks alone being able to meet all the demand for leasing from industry. The amount of leasing the banks are able to do is dependent on their taxable profits which in aggregate fall short of the £1.75bn which is a reasonable estimate of the current annual amount of financial leasing in the UK.

W. R. B. Colegrave.
16, Davies Street, W1.

Finance for industry

From the Managing Director, Motolease

Sir,—I believe that the representations made by an unnamed clearing bank to the Bank of England of a leasing crisis does immense damage and harm to the leasing business, which is playing a fundamental and continuing role in financing British industry's needs. While I, and I expect many others, found Michael Lafferty's article on "Leasing growth crisis warning" (March 2), of immense interest, it raised several points which need answering.

In the first place, the size of the leasing market has to be seen in the right perspective. As an article in the Financial Times on February 21 pointed out, leasing business in Britain now accounts "for roughly 9 per cent of all capital investment in plant and equipment." In the United States, the figure is over 15 per cent.

We must not lose sight of the fact that leasing is a tax deferral and that while "tax shelter" is more emotive in that it implies avoidance, the tax allowances by virtue of investing in plant and equipment via leasing is not lost for all time to the Revenue. Indeed, the whole concept of capital allowances is to give industry an incentive to invest.

Michael Lafferty's article states that "the biggest growth area during 1978 was motor cars," where purchases by members of the Equipment Leasing Association "were up more than six times at £343m." Again, this figure has to be seen in the true perspective of total car sales, which are running at some £8bn per annum. It is therefore obvious that as a percentage of the total vehicle market, leasing plays a very small part as opposed to the United States, where it accounts for some 80 per cent. In this context, we must also accept the fact that cars are an emotive subject in that it is a consumer product—one imagines that the same feelings would not be aroused if similar figures were quoted in connection with the leasing of plant and equipment, such as computers. We must also take into account the effect of inflation in recent years in terms of the sharp increase in the cost of cars and their sale values. I also find it difficult to understand what is meant by the term "exotic cars": does this refer to vehicles costing in excess of £8,000? If this is the case, then we are condemning the Rover, Jaguar and Daimler cars manufactured by the taxpayer-owned company, Leyland.

The leasing business plays an invaluable role in providing finance for industry and professional bodies to enable them to invest and create job opportunities. If the traditional banking sources cannot keep pace with the demands of the market, or if new expertise and ideas are required to encourage the sort of investment levels that are needed by British industry, then what possible damage can be caused if the funds are provided by industrial sources or non-UK clearing banks? With dividend restraint and price control, is it harmful for industry to reinvest surplus funds back into industrial needs? Indeed, in the United States, one sees many large industrial corporations in the leasing industry, particularly where their knowledge and expertise of the equipment make them best suited to take views as to the residual values at the end of the lease terms, which in many instances results in less expensive leases for the user.

It is a false assumption that only a clearing bank understands the financing needs of industry and the values to be placed on creditworthiness and equipment. For example, much of the plant used in the development of the British offshore oil industry was financed by lease rental agreements as opposed to the traditional clearing banks' full pay out lease, which imposes considerably higher financial commitments on the part of the user. Having said that, it is important to recognise that where such leases are appropriate, the lessor/financier needs to have sound knowledge of the market in which he is operating—but this is not the prerogative of a clearing bank.

Is this yet another example of the clearing banks "crying wolf" as they did to the Wilson Committee in the evidence presented regarding the "unfair" competition from the building societies which produced the response "where are the queues outside the clearing banks?" Suggestions that "the recent phenomenal growth in leasing could hold the seeds of a new secondary banking-type crisis" is an obvious red herring designed to protect the clearing banks' own lucrative leasing market for fear of some legislative changes in a budget which is less than four weeks away.

Michael Goddard.
Motolease,
1, Great Cumberland Place, W1

The situation at The Times

From the Branch Secretary, London Machine Branch, National Society of Operative Printers, Graphical and Media Personnel.

Sir,—You carried in yesterday's issue an advertisement placed by Times Newspapers (Trust) which NATSOPA considers to be misleading. Indeed, this is the second attempt by that company to buy public opinion, the first of which some weeks ago is now the subject of a complaint that we are lodging with the Advertising Standards Authority.

Given the complexity and breadth of the subject matter, it would be most difficult to answer every point made in the advert, unless, of course, we had the same space, but Times Newspaper workers do not have the apparently bottomless pit of revenue that TNL has from its North Sea oil interests and therefore cannot afford "to buy public opinion in that way."

I shall, however, at least make an attempt to point out some glaring misrepresentations and omissions and trust that the freedom of the Press is not totally confined, as I suspect, to those that are able to pay for it.

TNL did announce its intentions last April; despite our requests, however, did not meet us until the end of September. This reluctance on its part provided us with only six weeks in most cases to negotiate the extremely detailed and complex proposals it had made. (Documented proof is set out in our booklet "Times diary," issued by Owen O'Brien, general secretary.)

TNL lists what it alleges are the benefits to the staff arising from the proposals. If it is so generous, is it not surprising that it has not been swamped with demands to accept its proposals? Indeed, some of the people it nominates as having confirmed agreements will be surprised to learn that that is so. In fact, the so-called benefits in many cases are quite the reverse, which, taken together with other elements of its proposals, have given rise to a total disenchantment with the whole package from the overwhelming majority of employees.

TNL further states that its needs in terms of the introduction of new technologies are quite different from all other papers "because of the high volume of text and heavy typesetting load." The Observer, I would have thought, is not without similarities to the Sunday Times!

This really is just a further example of the TNL management insisting that it is right and that everybody else, including proprietors, unions and most logical opinion, being wrong.

This brings me to its next point, that of what it chooses to call "industrial anarchy." TNL, insofar as my members are concerned, paid the worst wages and print in the worst conditions. Add that to a management outlook that verges on Dickensian with a dash of paternalism (we know what's best for you) and you have a recipe for industrial unrest.

It is perhaps worthwhile mentioning the Guardian, before it was unceremoniously ejected by TNL, was printed in the same building without the difficulties that the TNL management seem to have experienced. Is there a lesson to be learnt?

Our national executive had some proposals with regard to a "disputes procedure," as indeed did Mr. Booth, which were set to one side by TNL on the basis that it was not prepared to stop the notices going out to our memberships. TNL had the solution but was not prepared to take it because, it could be argued, it would have deflected it from its manic intent upon confrontation.

TNL further says in the advert: "Will anyone suffer?" and answer "No—no one who does not want to leave has to leave." Would, Sir, you be so kind as to pass a memo to the management at TNL to the effect that people have already left—they have been sacked in their thousands. From the tenor of the advert, it would appear that no one has mentioned it to the person that drafted the advert.

In conclusion Sir, may I point out that there is one section of the advert with which I have no quarrel, namely the call for "reasonable men to negotiate." Of course we will, indeed we have with everybody else both in terms of the application of new technologies and manning levels.

We do not want to wait for the titles to come back, we want to stop this wildcat strike by the employer. We simply say to TNL, reinstate those you have sacked, resume publication, and in an atmosphere of no duress we can then negotiate.

J. Mitchell.
Natsopa House,
Milcote Street,
St. George's Circus, SE1.

Floating charges

From Mr. J. Hartley

Sir,—Three correspondents (February 28) take me to task for misunderstanding the nature of a floating charge.

I agree with Mr. Allen that a bank owes a duty of prudence to its depositors — but trading businesses also have a duty of prudence to their employees and shareholders. Mr. Allen is quite wrong to imply, in his final paragraph, that a bank without security would be deferred to a position after trade creditors: in fact the bank would have the same rights as other unsecured creditors.

Mr. Taylor and Mr. Kirkham both make the point that a lending bank is a creditor also, but think that size of debt should confer special treatment (presumably, hence the floating charge). Many might consider that fair treatment in such a case would be to limit the dividend to the same amount in the pound as everyone else.

Your correspondents rightly say that trade creditors are often composed of many smaller amounts, but these amounts are owed to many small businesses without the resources of larger creditors. Those small businesses can be badly hurt if they cannot participate in a distribution of assets. Hence they must use whatever methods(for example, Romalpa) show promise of helping to right the balance, even slightly.

One final point to ponder. In last year's Finance Act there are provisions to enable traders to reclaim VAT on bad debts, and in Section 12 relief is restricted to cases where there is no Romalpa clause in operation. I wonder how that managed to get drafted in!

J. D. Hartley.
"The Brow," 29, Creskeld Lane, Bramhope, Leeds.

First class post

From Mr. W. Eltis

Sir,—Those of your readers like Mr. G. H. Green (March 2) who failed to get allotments of gilt-edged stock from the Bank of England on the Thursday after posting their applications "first class" on Tuesday, February 20, have failed to understand the Post Office's charging system.

First class service, that is, guaranteed next-day delivery, is obtainable by paying 69 pence for a 9p stamp plus the facility of "special delivery." The latter by-passes the sorting offices where the Post Office is severely understaffed and ensures that letters reach even the Bank of England on the day after posting. Second class service is obtainable with a 9p stamp alone. This can produce next day delivery, but there has been deterioration since December, 1978, and delivery can now take up to five days. A 9p stamp therefore no longer suffices for any letter where quick delivery is important. Sevenpence for a third class service generally guarantees delivery within a week—even in London where understaffing is more severe than elsewhere.

Walter Eltis.
Exeter College, Oxford.

Everything has to be earned

From the Managing Director, Soag Machinery.

Sir,—The debate about Prince Charles' criticism of management has surely ignored one vital point — that in accusing managers of failing to take human nature into account and suggesting that shopfloor "bloodymindedness" can only be the result of bad communication, the Prince is himself failing to understand human nature by not recognising a basic aggressive force inside all human beings which emerges more readily from the mass than the individual and which has to be controlled by society rather than management.

Aloofness, inefficiency and lack of leadership are no doubt fairly common weaknesses in British management. But an improvement in this area alone will not provide the cure.

Until trade unionists, politicians and the commercial media stop raising peoples expectations above achievable levels and society teaches the young that everything in life has to be earned, frustration will continue to erupt and workers will remain the easy prey of those who seek to exploit their discontent.

P. Flatter,
Transport Avenue Industrial Estate, Great West Road, Brentford, Middlesex.

Today's Events

GENERAL

UK: Mr. Alan Williams, Industry Minister, meets the Japanese buying mission on its last day in the UK; British Overseas Trade Board statement on value of Japanese mission.

Sir Geoffrey Howe, Shadow Chancellor of the Exchequer, addresses CBI smaller firms on Budget.

Sir Keith Joseph, Opposition industry spokesman, Sir Derek Ezra, NCB chairman, and Mr. Joe Gormley, NUM president, speak at Institute of Credit Management annual conference, Hilton Hotel, W1.

Overseas: Second day of EEC Agriculture and Foreign Affairs Councils meeting in Brussels.

European Ministers for Social Security start two-day meeting in Strasbourg.

Transport Ministers from Angola, Zuire, and Zambia meet in Lobito (Angola) to discuss future of Benguela railway.

PARLIAMENTARY BUSINESS

House of Commons: Independent Broadcasting Authority Bill, second reading. Opposed private business at 7 pm.

House of Lords: Capital Gains Tax Bill, third reading. Social Security Bill, report stage. Public Lending Right Bill, third reading. Banking Bill, second reading. Kiribati Independence Bill, committee stage. Estate Agents Bill, committee stage.

Select Committee: Science and Technology, genetic engineering sub-committee. Witness: Mr. David Ennals, Social Services Secretary. Room 15, 4.30 pm.

COMPANY RESULTS

Final dividends: Greenfields Leisure. Mercantile Investment Trust. Turner and Newall. Unilever. George Wills and Sons (Holdings). Interim dividends: AAH. Scottish Cities Investment Trust.

COMPANY MEETINGS

Winterbottom Trust, Great Eastern Hotel, EC, 11.

UK COMPANY NEWS

Fisons ahead 12% after second half downturn

WITH SALES up by 18.7 per cent, pre-tax profit of Fisons, the agrochemical, fertiliser, pharmaceutical, scientific equipment and horticulture group, rose by 12.3 per cent from £20.39m to £22.9m in 1978.

At the interim stage, pre-tax profit was up by 40.4 per cent from £8.5m to £11.95m. The directors said then that 12-month results should show an improvement over 1977 but the extent of the increase would in part depend upon the position of sterling.

The directors point out that the group relies on overseas trading for a major part of its earnings. Because a major proportion of export sales are invoiced in U.S. dollars, its weakness throughout 1978 had a significant effect, reducing trading profits by over £1m compared with 1977.

Group activity profit rose by 16.4 per cent from £23.2m to £27m. The main contribution came from pharmaceuticals—up from £10.48m to £11.2m on sales up by nearly 22 per cent from £56.20m to £68.39m.

Profit from fertilisers increased by 61 per cent from £3.6m to £5.8m on sales up from £161.38m to £143.65m.

Activity profit of scientific equipment was lifted from £3.58m to £5.13m, resulting from the inclusion of the A. Gallenkamp acquisition for a full year, against six months in 1977. Sales increased from £31.5m to £47.53m.

Adversely affected by intensive price competition on commodity agrochemicals and the weakness of the dollar, profit from agrochemicals fell by 18 per cent from £4.67m to £3.83m on sales up from £45.05m to £52.32m.

During 1978 the agrochemical division increased its investment in research and development and strengthened its international marketing and distribution facilities.

On sales up from £16.97m to £18.68m activity profit from horticulture improved from £868,000 to £1.02m. Results from merchanting, which made a small profit, have been included in those from the fertiliser division.

In conjunction with the introduction of building depreciation all UK freehold and long leasehold buildings have been revalued as at December 31, 1976, the date at which they were last independently revalued. The surplus arising on revaluation was £8m.

Earnings per £1 share are shown to have improved from 47.6p to 50.5p. A final dividend up from 7.346p to 8.337p raises the net total from 12.846p to 14.337p, the maximum allowed.

There was an increase in world-wide borrowings during the year of £6m, reflecting inter alia capital expenditure on new research facilities, and improvement and rationalisation of existing facilities. Interest costs were £1.3m higher, mainly as a result of the cash payments made late in 1977 in part settlement of the Gallenkamp acquisition, and the net cash outflow in 1978.

See Lex

Freddie Mansfield

Sir George Burton, chairman of Fisons, with one of the company's new garden products. The Blockaid tool produces compressed compost blocks for sowing seeds and cuttings.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Blagden & Noakes 2nd int.	8.4	Apr. 4	9.18	13.4	12
Beradin Rubber ...int.	1.5	Mar. 30	0.5	—	3
Falcon Mines‡	40	April 21	25	—	60
Inv. Tst. of Gurnsey ...	§5.25	May 8	4.5	8.25	7
I.o.M. Enterprises	3	May 31	2.5	3	2.5
Fisons	8.34	July 2	7.35	14.34	12.85
Manganese Bronze int.	Nil	—	Nil	—	2.1
Parker Knoll ....int.	0.73	April 26	*0.65	—	*2.4
Victor Products ......int.	0.74	April 9	*0.67	—	*1.69

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Rhodesian cents throughout. § Gross throughout.

Parker Knoll jumps to £1m

UNHAMPERED BY exceptional costs this time, Parker Knoll, furniture and furnishings maker, expanded taxable profit by £373,000 to £1m for the six months to January 31, 1979. Sales were ahead from £9.32m to £10.96m.

In the previous first half the surplus was struck after £200,000 exceptional expenses related to consultancy fees and other costs incurred in the installation of an improved production control system for the furniture division.

Mr. M. H. T. Jourdan, the chairman, now says he is confident that current year profit will exceed last year's £1.73m. Overall the group has enjoyed very satisfactory trading conditions from which the furniture side has not yet been able to fully benefit, but the order book is a record.

The net interim dividend is effectively lifted to 0.725p (0.65p) on capital increased by last year's one-for-two scrip issue. The final for 1977-78 was equivalent to 1.7513p.

Halftime profit is shown after depreciation of £233,000 (£187,000). Tax took £521,000 (£327,000) leaving the net balance up from £302,000 to £481,000.

Orders in the furniture division in the half year were 12 per cent higher in real terms. Output from most factory departments has benefited from the better production control systems introduced last year, but deliveries have been held back by the group's inability to increase production within its wood-frame assembly department.

This has been due both to a shortage of skilled operatives and to the time needed to introduce a new incentive system. The system is now in operation in that department and the level of production is improving, the chairman reports.

The textiles division continues to be very profitable. Home sales are a record and exports are holding up well. A new range of wallpapers introduced during the autumn has been well received by customers at home and abroad.

Progress made at Mercia Weavers last year has continued and this improvement in profitability is expected to be sustained, he adds.

● comment

A 21 per cent interim pre-tax improvement at Parker Knoll, before earlier exceptional items, comes as no surprise given the buoyancy of consumer spending in the latter half of 1978, but the furniture division has again been unable to make the most of prevailing conditions. The hope must now be that the new incentive scheme will boost production and the resultant improvement in wages will ease the shortage of skilled labour. The division is now running on a 14 week production cycle and, with a 12 per cent upturn in the real order intake, the group is confident that it will maintain its normal relative strength if the furniture and furnishings cycle turns down towards the end of 1979. Textiles are achieving record home sales and exports are holding up well despite the high parity of sterling so, with a positive contribution from Mercia Weavers, pre-tax profits could be on course for a record year. Dividend prospects are limited under current rules thus the prospective yield at 100p, up 1p, is just under 4 per cent.

Disputes hit Manganese profit

INDUSTRIAL unrest in the UK is blamed by the directors of Manganese Bronze Holdings for the slump in pre-tax profits from £1.14m to £322,000 in the six months ended January 31, 1979. Turnover was down from £16m to £15.43m, a drop of some 15 per cent.

However, the directors say that if the country is now permitted to enjoy industrial peace, the results during the second six months of the year should rise gradually at least to the level previously attained.

The losses of the first six months will not, however, be made good. Last year the group reported pre-tax profits of £2.73m following a second half profit of £1.59m.

Again no interim dividend is declared but a final dividend will be considered at the time of the annual report. It may be possible to offer a share alternative again this year. The dividend in 1977-78 was a single 2.1034p.

Stoppages in the motor industry reduced demand at BSA Sintered Components while a similar effect on demand was felt at Patent Die Castings.

	Six months 1979 £000	1978 £000
Turnover	15,428	16,003
Trading profit	656	1,390
Depreciation	360	365
Leasing	63	66
Trading profit	656	1,390
Interest paid	334	249
Profit before tax ...	322	1,141
Tax	167	593
Net profit	155	548

Carbodies suffered two separate disruptions and due partly to the greater use of money because of the disturbances and partly due to higher interest rates, interest payable rose by £85,000.

Allocation of the bank's surplus in the liquidation group in NVT has presented a difficult legal problem which has still not been finally resolved. Any release to NVT must necessarily await the outcome and meanwhile the Board cannot usefully reconsider the need to maintain all the provision made against this investment.

● comment

Manganese Bronze blames strikes for the disastrous 72 per cent drop in taxable profits but the underlying picture in many of the group's markets is in any case unexciting. Worldwide demand for sporting guns has been flat for some time, the building products side has suffered from a poor level of housing starts, and continuous labour troubles in the motor industry together with the increase in imported cars provide a difficult background for some of the engineering activities. On top of all this, the strike at BSA Sintered Components knocked an estimated £600,000 off first half profits while the Ford and British Leyland disputes plus the disruption at Carbodies are other chapters in the tale of woe. Production has not yet fully picked up and it appears that the company is struggling to match last year's second half let alone make up the first half shortfall in the current trading period. The full year outcome could on this basis be no more than £1.5m, not much more than half the 1977-78 total. At 59p the shares are on a fully-taxed prospective p/e of 9.6 though on last year's tax charge it works out at five. The historic yield is 5.3 per cent.

Blagden & Noakes rises 13.65% to near £5m

WITH RESULTS from its plastics division above directors expections, Blagden and Noakes (Holdings) boosted pre-tax profits for 1978 by 13.65 per cent from £4.36m to a record £4.95m, on turnover of £54.52m against £43.84m.

The plastics result, with a profits jump from £0.34m to £1.4m, included a full year's contribution from the Ball group, acquired in November, 1977.

The group's chemical division however, suffered a £0.32m turnround to trading losses of £0.1m. Mr. J. K. Noakes, the chairman, says this very disappointing result was entirely due to problems experienced with manufacturing activities.

At halfway, with group profits higher at £2.51m (£2.14m), the directors reported a loss in this area but hoped for some improvement in the last two quarters.

The chairman now reports that the position deteriorated further before remedial steps could be effected. However in the last quarter of the year losses were considerably reduced.

The directors are budgeting for a modest loss in manufacturing during 1979, but are hopeful of implementing plans for a restructuring of these operations.

Chemical trading activities continued to operate at a satisfactory level of profit in a difficult business climate, Mr. Noakes states.

Elsewhere, the drum and cask division produced satisfactory results after a slow start to the year.

	1978 £000	*1977 £000
Turnover	54,523	43,835
Manufactured, reconditioned drums and caskets	30,746	27,710
Plastics†	9,665	2,540
Chemicals	11,491	11,264
Industrial protective & electrical equip.	2,621	2,321
Trading profit	5,066	‡4,282
Manufactured, reconditioned drums and caskets	3,376	3,396
Plastics†	1,403	341
Chemicals	§103	221
Industrial, protective and electrical equip.	391	396
Interest payable	158	[illegible]
Associates' profits ...	43	94
Profit before tax	4,953	[illegible]
Tax	1,798	1,878
Net profit	3,155	2,480
Minority interests	1,337	894
Attributable	1,821	1,586
Dividends	713	618

* Restated on basis of changed accounting policy for deferred tax. † Includes W. W. Ball for full year (two months). ‡ After £15,000 holding company expenses. § Loss.

Turnover at Martindale Protection rose 13 per cent, with profits comparable with the previous year's after considerable expenses incurred in launching new products, which began to show some benefit during the later months.

Stated earnings per 25p share were slightly lower at 34.2p (restated 34.6p), but a second interim dividend of 8.4p lifts total net payments from 12p to the maximum permitted 13.4p. A one-for-one scrip issue is also proposed.

The transport strike at the start of this year proved to be very costly for the group and during January it only just about broke even. Profits for the month had been expected to total more than £400,000.

Hopes are high that given no major upsets the company will be able to make up lost ground, but present indications seem to be that the current year's results may be only marginally higher than those just reported.

A return to profit is being budgeted for during 1979 for the chemicals division and a decision now seems likely to be taken within the next month or so on a possible new chemical manufacturing plant that could involve an investment of between £1m and £1.5m.

● comment

Blagden's profits are ahead 14 per cent pre-tax but if it was not for the £1m contribution from Ball the picture would look very different. Profits from drums and protective equipment marked time, but the chemicals division took a nasty knock from losses on the manufacturing side. These rose from £153,000 in the first half to £233,000 in the second, completely wiping out profits from chemical trading. Blagden's manufacturing problems are two-fold—it faces strong competition from overseas and some of its plant is past its prime. The company has dropped some manufacturing processes—the second half contains some redundancy costs—and it is considering a £1m capital expenditure plan to beef up its facilities. But meantime manufacturing losses are likely to continue although at a much reduced level. The first half of 1979 has taken a hefty dent from January's labour troubles and £400,000 of profit has been lost. However, with some manufacturing recovery and better profits from chemical trading and plastics Blagden expects 1979 to show higher profits, but with drums unlikely to show much growth the overall advance could be small. Even so the shares could hold their ground at 244p where the p/e is 6.9 and the yield is 8.5 per cent.

HIGHLIGHTS

Lex considers the outlook for Fisons after the 1978 results, which show an increase of an eighth in pre-tax profits to £22.9m., and discusses the cancellation of the 1 per cent special deposits due for recall next Friday. Elsewhere on the banking front the clearers have come in with half-point cuts in their base rates. Finally Lex looks at Sime's purchases of Guthrie shares in the market. Elsewhere, Blagden and Noakes produces better profits, thanks to the first full year from the Ball acquisition. Manganese Bronze produces poor half-time figures and the shares slipped back 11p in the market. Parker Knoll looks to be on course for record profits after an interim rise of 21 per cent.

Dutch loans for 3 trusts

Three UK investment trusts have each arranged Fl5m (£1.24m) five-year loans to invest in quoted foreign securities issued by EEC institutions.

Scottish Western Investment, Clydesdale Investment Company, and Caledonian Trust Company, are taking advantage of last year's relxation of British exchange control regulations which permits foreign currency borrowing for portfolio investment in quoted foreign currency securities issued by the EEC itself, the European Investment Bank, the European Coal and Steel Community; and the European Atomic Energy Community.

In line with the regulations, as amended by Supplement No. 35 from January 1, 1978, the loans are repayable at 20 per cent a year.

See Lex

Advance by Barclays Credit Corp.

The 55 per cent-owned Barclays Bank International subsidiary Barclays Credit Corporation lifted taxable profit from A$3.03m (£1.69m) to A$3.49m (£1.95m) in the half-year to January 31, 1979.

The directors state that the company continues to maintain high liquidity, and has A$61.7m (£34.5m) standby facilities, short term investments and unutilised credit lines available.

Victor Products ahead to £0.64m mid-term

WITH TURNOVER higher at £4.55m against £3.44m, taxable profits of Victor Products (Wallsend), maker of industrial and mining equipment, expanded from £482,660 to £643,200 for the half year to October 31, 1978.

Earnings per 25p share are given ahead from 5.54p to 6.31p and the interim dividend is effectively lifted to 0.743p (0.665p) net—the previous year's payments totalled an equivalent 1.69p on £1.22m pre-tax profits.

After tax of £160,800 (£58,750), half-yearly net profits rose from £423,910 to £482,400.

The directors expect that turnover and profits for the full year will show a significant advance over the previous year.

They say in the half year, the company benefited from major export orders, notably from China and Poland, which more than offset the reduction in the general level of activity of the National Coal Board.

The second half will see deliveries of some part of these large orders and all divisions will continue to seek improvement in business, especially in overseas markets.

Refuge bonus raised

Higher rates of reversionary bonus have been declared for 1978 by the Refuge Assurance Company on with-profit contracts in the ordinary branch.

On assurances, the reversionary bonus rate is lifted to £4.80 per cent of the sum assured from £4.60 per cent in 1977. In addition, the terminal bonus rate, payable on death or maturity claims during the 12 months from April 1, 1979, is lifted to £2 per cent of the sum assured for each calendar year in force except the first five, plus 50p per cent of the sum assured for each year in force less the first 10. This will result in substantially higher amounts of terminal bonus being paid.

The rates on self-employed pensions and other deferred annuity contracts have also been increased. The reversionary bonus rate is raised to £5.60 per cent of the basic annuity from £5.20 per cent. In addition, the bonus from April 1 is increased to £2 per cent of the basic annuity for each year except the first five from £1.50 per cent previously.

Increase at Law Debenture

For 1978, revenue of Law Debenture Corporation, investment trust, rose from £885,729 to £1,063,119 before tax of £424,929 against £340,996.

Stated earnings per 25p share are higher at 5.51p (4.7p). The net final dividend is lifted from 3p to 3.5p, making 5.25p (4.5p). Net asset value is shown to have risen from 121.8p to 126.6p.

An extraordinary credit of £45,360 comprises interest received on the settlement by the Inland Revenue of certain matters previously in dispute which arose in connection with the cessation of the former investment dealing trade.

DRAYTON

The net asset value of Drayton Commercial Investment Company was 180p at the end of 1978. Due to an agency error this figure was given as 189p in Saturday's report.

Depressed outlook at Whatlings

While not making a specific profits forecast for the current year, Mr. James Robertson, chairman of Whatlings, says that the company is still receiving an adequate number of opportunities to tender and negotiate for further work, and it is expected that adequate turnover can be achieved.

Pointing out that prospects are dependent on the general performance of the construction industry, the chairman states that indications of a possible improvement have been overtaken by the severe weather conditions and concurrent national labour disturbances.

The industry has been depressed at home for a number of years and the overseas situation now is little better, so that probable price margins have contracted.

As already reported, due to the continuation of keen market conditions both in the UK and overseas, pre-tax profits for the year to September 30, 1978, fell from £660,873 to £362,106.

Scottish Northern Investment Trust has a 10 per cent holding in the company and I.T.C. Pension Trust jointly with I.T.C. Pension Investment holds 6.25 per cent.

ISSUE NEWS

Mowat £0.3m rights

Wm. Mowatt and Sons, the property and wood treatment company, is raising around £0.3m by way of a rights issue on a one-for-one basis at 30p per share.

The company also announces that Jenth, a private company registered in Jersey, has sold—through Street (Jersey)—all of its remaining 51.17 per cent holding in Mowat at 50p per share.

The announcement comes just five months after Mowat directors agreed to sell Jenth more than 600,000 shares or 61.67 per cent of the company. Jenth subsequently made a 22½p cash offer for the remaining shares but did not reveal if there were any acceptances.

A spokesman said yesterday that Jenth no longer wished to have any investments on the Stock Exchange—all 511,670 Ordinary 10p shares had been placed with a variety of private and institutional investors he said.

Mr. R. P. Davison and Mr. J. A. Calthorpe and Mr. A. G. Calthorpe, directors of Mowat, have each beneficially acquired 25,000 shares in Mowat. No changes in the composition of Mowat's board are being made.

It is also announced that Mr. Irving Goldstein sold 27,500 shares of Mowat on February 28, reducing his beneficial stake to 7.75 per cent.

Of the rights issue proceeds, about £0.13m will be used to develop premises at 1, Chaplin Road, Wembley, with the balance to repay the group overdraft and finance additional working capital.

Mowat, which has not paid a dividend since 1972-73, recently announced profits of £11,684 (£7,200) for the half year ended November 30 1978. For the previous 12 months profits amounted to £20,000.

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MINING NEWS

Selangor State's deal with Berjuntai

BY KENNETH MARSTON, MINING EDITOR

ER MONTHS of tough tiations, the deadlock over Selangor State Government's mining policy has been an with an agreement hed between the State orities and two leading tin ucers, Pacific Tin Con- ated and Berjuntai Tin, re- Wong Sulong from Kuala pur.

e Pacific Tin agreement, h was signed at Shah Alam, new Selangor State capital rday calls for the setting up new joint venture company een Pacific Tin and Kupulan ngsang Selangor (KPS), the ng arm of the State Gov- ient.

'S will hold 10 per cent of new company and will re- a 10 per cent tribute ally) on its production. KPS also have an option to in- se its equity to 30 per cent later stage, by which time tribute would decrease to 5 cent.

e new company has been a 15-year lease on 1,500 s of land in the Batang untal district, including 220 s of new mining land which agreed to lease out as a con- on for its participation in joint venture.

e KPS-Berjuntai Tin deal, h is to be signed today, be a more complicated one. present area which untai Tin is working, the of which expired last year, been sub-leased back to untai in return for a 10 per tribute.

addition, Berjuntai and will set up a new company ing 2,000 acres of new land, ent to Berjuntai's existing ng operations. KPS will hold er cent in the new company Berjuntai 30 per cent.

a later stage, it is antici- d that mining in the two would be merged under new joint company, although ls of this merger have not revealed.

tuk Hormat Rafei, the gor Chief Minister, des- d yesterday's agreement Pacific Tin as a major through which allowed the State to have a bigger say and revenue in the mining industry.

When Datuk Hormat announced the new mining policy early last year, there was considerable uncertainty as to what KPS had in mind, and there were rumours that it was insisting on a 70 per cent share in all mining ventures.

As it turns out, expiring mining leases of foreign companies—those not 70 per cent-owned by Malaysians—will be given to KPS, which will then grant renewal on the condition that it is allowed to take a share in the venture. This equity for KPS is negotiable. However, for new mining land, KPS will insist on taking at least 70 per cent of the venture.

Pacific Tin is U.S.-controlled while Berjuntai is registered in Malaysia. The latter is about 40 per cent-owned by Malaysia Mining Corporation which, in turn, is 28.8 per cent-owned by London's Charter Consolidated. Because of this chain of ownership, Malaysia regards Berjuntai as a foreign-controlled company, a view which is rejected by the Berjuntai Board.

● comment

● Other tin companies with operations in Selangor include Ayer Hitam, the short-life Sungei Besi, Petaling and the Rio Tinto-Zinc group's Conzinc Riotinto Malaysia. The last-named has already entered into an agreement with Selangor and so the only other companies likely to be affected by State moves are Ayer Hitam and Petaling.

Whether the Selangor policy of, basically, offering new mining land in return for State participation will be followed by Perak is a moot point in view of that state's greater dependence on the Federal Government. Mines in Perak include Malayan, Southern Malayan, Southern Kinta, Tronoh and Gopeng. For years the States have received little return from the mining operations. Berjuntai, for instance, pays some three-quarters of its earnings in taxes, but of this only about 4 per cent goes to the state of Selangor. Tin shareholders' concern about increased State participation in their companies' activities is unlikely to be dispelled by the latest news. What is needed to clear the air is a detailed explanatory statement from Berjuntai which has given little guidance to its shareholders since the news in November that Selangor had refused to renew four of its leases and, instead, was giving them to the State company.

Cyprus Mines on the mend

THE RECOVERY in copper prices, which started last year and gathered pace in the early months of 1979 before being checked yesterday, has led Cyprus Mines to a decision on the re-opening of its Pima opencast operation near Tucson in Arizona.

But operations, at least from the third quarter of this year to the end of 1980, will only be at one-third of the rate before closure in September 1977. In the first nine months of that year Pima produced 106.5m lb of copper concentrates, and quantities of molybdenum and silver.

Cyprus holds 50 per cent of Pima. Utah International and Union Oil of California each hold 25 per cent.

The decision to re-open Pima has been taken against the background of improved operating results at Cyprus, whose senior vice-president, Mr. Richard Grantham, stated that the group's current earnings were much better than in mid-1978.

Mr. Grantham was talking about the contacts Cyprus has had with other companies regarding a possible merger. But he added that no negotiations had taken place. The contacts had been established because of the group's need for outside financing. However, this need had diminished because of the improvement in metal prices.

Cyprus shares have recently been the subject of unusual activity on Wall Street, but the group stated that it was unaware of any specific reason for this.

Rio Algom boosts earnings

HARP INCREASE in net ngs is announced by Rio m, the 51 per cent owned dian unit of Rio Tinto-Zinc. ts for 1978 are C$61.8m 7m) against C$42.8m in 1977. t this improvement owed ng to uranium but a great to copper, molybdenum and . With the coming on stream the expansion at Quirke, t Lake last spring, uranium nue was higher last year in 1977, but the operating t slipped back in the face igher costs and increased eciation and amortisation ges.

t Rio Algom owns 68.1 per of Lornex Mining, whose er molybdenum operations. year earned net profits of 4.35m compared with C$7.78m previous year. This better ormance, on the back of nger metal markets and the of the Canadian dollar nst the U.S. dollar has flowed ugh to Rio Algom.

t the same time Rio Algom eived a larger contribution n its steel operations where s volumes incrased and oper- s volumes increased and rating margins were main- g margins were maintained. reston Mines, which has a 3 per cent share in Rio om's profits, has also reported her profits for 1978. Net earn- s were C$26.7m (£11.1m) inst C$18.24m in 1977. Preston nes is 81 per cent owned by Tinto-Zinc.

RTZ shares yesterday were p.

SELTRUST

A low grade gold find has been de in Nevada by a joint partnership of the London Selection Trust group's U.S. subsidiary, Amselco Minerals and Occidental Minerals Corporation which is a subsidiary of America's Occidental Petroleum Corporation.

Drilling in an area located at about 60 miles north-west of Ely, Nevada, has indicated approximately 5m tons of mineralisation averaging about 0.11 oz (2.2 dwts, or just over 3 grammes) gold per ton in three near-surface deposits. Drilling continues, but no firm estimate of the economic significance of the find can be made at the moment, it is stated.

ROUND-UP

Because of growing interest from international mining companies the deadline for bids for the exploitation of Chile's big Pelambres copper deposits has been extended from March 15 to April 30. Pelambres in the Andes about 350 km north-east of Santiago, is believed to contain some 428m tonnes of copper ore.

America's Amax and Canada's Inco are discussing with third parties the sale of their respective interests of 75 per cent and 26 per cent in the Heath Steele zinc-lead mine in New Brunswick. Last year it produced 83,900 short tons of zinc concentrates and 29,100 tons of copper concentrates.

The French State-run Bureau de Recherches Geologiques et Minieres says it has concluded a five-year agreement with Societe Portugaise d'Entreprise for the joint exploration of tungsten and other minerals in north-eastern Portugal—broadly in the area of Beralt Tin and Wolfram's new Borralha mine—and the two firms will also co-operate in the exploration and exploitation of diamond deposits in Gabon.

New life for Village Main

VILLAGE MAIN REEF, the old gold mine within a stone's throw of Johannesburg's business district is to get a new lease of life with plans to treat sands dumps on the property, reports Jim Jones from Johannesburg.

The two dumps to be treated contain some 8m tonnes of sands grading an average 1.07 grammes per tonne gold. The mine has plant available to treat the old dumps which need to be improved at a cost of R2.6m (£1.5m) over the next nine months.

Preliminary investigations at the mine indicate that 75 per cent of the gold can be recovered by conventional methods. And, at a monthly treatment rate of 60,000 tonnes, unit costs of between R4.20 and R4.60 per tonne mean that the project should be profitable at gold prices over $200 an ounce.

The mine can finance necessary capital expenditure from its own resources, although arrangements have been made for short-term loans to cover the first six months of operations.

In Johannesburg it is now thought that next in line for treatment are the 100m tonnes of sands dumps at Crown Mines, Consolidated Main Reef and City Deep—all part of Rand Mines Properties. Preliminary testing of those dumps has been completed and necessary equipment orders have been placed.

RECOVERY LIMPS AT SAMANCOR

Although South African Manganese Amcor (Samancor) reports considerably better earnings in the second half of 1978, management is taking a cautious view of the recovery.

Following 1977's R61.2m pre-tax profit, earnings of R41.1m (£24.1m) are reported for 1978, of which R24m was earned in the second half. But dividends totalling only 55 cents (1977: 65 cents) have been declared.

At the half-way stage, the board stated that the final dividend would largely depend on year-end market conditions. And they are not overly appealing.

Samancor continues to operate in a tight market for both its ores and ferro-alloys. As far as ferro-chrome is concerned, problems of slack demand are acute. New ferro-chrome plants in South Africa are operating at as low as 50 per cent capacity, while certain of Samancor's facilities have been moth-balled.

MINING BRIEFS

KILLINGHALL TIN—Output for February 14 tonnes (January 51½ tonnes).

BIDS AND DEALS

Wedgwood's £6m U.S. purchase

Wedgwood, the Staffordshire-based ceramics group, is planning to buy the assets of the Franciscan dinnerware and architectural tile operation of the U.S. from Interpace Corporation in a deal worth $13m (£6.4m).

The deal will give Wedgwood its first manufacturing presence in its most important market, the U.S.

A new U.S. holding company is to be formed which will be headed by Mr. Raymond Smith, president of Wedgwood's New York-based marketing company. Sir Arthur Bryan, chairman of Wedgwood England, and Mr. Peter Williams, deputy chairman, will join the Board of the new company.

Payment for Franciscan is to be made in three equal annual amounts.

The Franciscan business has over 700 employees and is based on a 45-acre site at Glendale, California. It has been making losses, although the tile section is profitable and, according to Wedgwood, both the tableware and tile divisions are expected to become profit-making within 13 months.

Wedgwood said yesterday that the operation is not expected "to realise its full potential in less than two years."

WM. DIXON SELLS CLOTHING BUSINESS

William Dixon is to change its name to J. A. Dixon Investments with the sale of its wholesale menswear clothing business to Wilkinson Warburton. The deal, which has been agreed, is subject to approval at an EGM of Dixon shareholders to be held on March [illegible].

If the transaction is approved J. A. Dixon will be left with no trading activities but will retain the freehold of a 66,000 sq ft factory and warehouse in Nottingham plus any cash left in the company.

It is Dixon's intention eventually to sell this site after which it will consider schemes to make a reduction in the group's capital and distribution to shareholders. It hopes to be able to make a proposal at the company's annual meeting in September.

The directors of Dixon hold around two-thirds of the company's ordinary shares and say preference shares would be repaid in full before any distribution would be made on ordinary shares.

COLLETT DICKENSON DUTCH SALE

Collett Dickenson Pearce is to dispose of the 49.89 per cent interest in its associate, KVH Holdings BV, the Dutch advertising agency, and to be released from its obligation to purchase an additional 0.11 per cent of KVH for Fl 800,000 (£198,000). The sale, which is to be through a redemption of shares by KVH, will be for Fl 1.65m cash (£410,000).

The benefit from the sale and the release totals Fl 2.45m (£608,000). Out of the proceeds of the sale, CDPI will repay a loan from KVH which, with accrued interest, amounts to Fl 350,000 (£87,000) and bank borrowings equivalent to a further £155,000.

At December 31, 1977, the date at which the latest accounts of CDPI were made up, the directors of CDPI considered the investment in KVH to be worth not less than £415,000 compared with book value of £479,000.

SIME DARBY

At the EGM of Sime Darby Holdings yesterday in Kuala Lumpur, the shareholders present unanimously agreed to adjourn the meeting to April 2. The meeting is to approve the attempted takeover of Guthrie Corporation.

Brammer to pay £4m for Borg-Warner subsidiary

H. Brammer, the power transmission and rubber products group has agreed in principle to acquire the UK power transmission subsidiary of Borg-Warner for a price approaching £4m.

In addition to acquiring the UK business of Borg's Morse Chain subsidiary, Brammer will also acquire the European rights to sell Morse products manufactured in the U.S. and also products made by Steiber, Borg's West German subsidiary.

The deal is expected to be completed by July 1. Morse manufactures a range of power transmission products largely for industrial machinery but also for the automotive industry.

A spokesman for Brammer said that the industrial side of Morse would complement Brammer's range of products.

He said that the activities being acquired by Brammer were currently generating annual pre-tax profits of approaching £1m.

Borg-Warner based in Chicago is currently negotiating a U.S.$870m agreed merger with Firestone Tire and Rubber which would create one of the world's largest diversified manufacturers of car parts. Borg has also recently been diversifying and disposing of some of its more out-lying investments.

CORAL PAYS £1.2M FOR EMI HOTEL

Centre Hotels (Cranston)—a division of Coral Leisure Group—has acquired the four star Tree Tops Hotel in Aberdeen from EMI for £1,225,000 cash.

The hotel is set in six acres of grounds three miles from central Aberdeen and incorporates banqueting facilities for 450 people, a lakeside restaurant and 114 bedrooms most with private bathrooms.

MEARS CONSTRUCT.

A contract is expected to be signed shortly for the purchase by Edmund Nuttall of the goodwill and most of the assets of Mears Construction from the Receiver. Nuttall is also acquiring from the Receiver certain assets used by Mears Construction belonging to Mears Bros. Holdings and Mears Properties.

LWT buys 60% share of holiday group for £1.95m

THE PARENT company of London Weekend Television, LWT (Holdings), has bought a controlling interest in the specialist holiday operator Page and Moy (Holdings) in a deal worth £1.95m.

LWT has bought 60 per cent of Page and Moy, and has an option to purchase the remaining 40 per cent of the capital. Any future sale price of the remaining Page and Moy share capital would be based on the average profits for the two financial years prior to the exercise of the option.

The option can be exercised five years from the date of contract.

For the year ended November 30, 1978, taxable profits of Page and Moy were £751,887, compared with £420,189. At the end of Page and Moy's last financial year shareholders' funds amounted to about £1.3m.

LWT said yesterday that it had made its purchase as part of its policy in broadening its activities in order to widen its revenue base.

"About two or three years ago we realised that we were wholly dependent on advertising revenue. This latest purchase is another attempt to counter-balance future fluctuations in advertising revenue," said LWT.

As part of this policy the group acquired the publishing company, Hutchinson last June in a £3.9m cash bid.

The latest deal is also a cash purchase but LWT said it had more than sufficient liquid resources to cope with the deal.

LWT is not planning further acquisitions in the "foreseeable future." It explained that its intention was that the "LWT group shall remain firmly based on the maintenance of London Weekend Television as its primary activity."

Moss forecasts £0.9m

Moss Engineering has forecast pre-tax profits of not less than £900,000 for the current year. The estimate is contained in the group's latest letter to shareholders rejecting a takeover bid from GEI International.

Mr. Ernest Cars, chairman of Moss says that GEI's raised offer of 56 GEI shares plus £40 nominal of a new 12½ per cent convertible loan stock for every 100 Moss shares remains too low. GEI has made an alternative offer of 87p cash per share.

The cash offer values Moss at almost £4m.

Mr. Car said that the group's five-yearly review of its freehold and leasehold properties at March 2 this year has shown a surplus over book value of almost £414,000. After adjusting for this revaluation net assets of Moss, excluding goodwill are calculated as worth 92.5p a share, he said.

On current trading Mr. Carr said that group orders showed an increase of 30 per cent at the end of January and recovery begun in the second quarter of the current year was now showing positive results. In particular Farrer, which had suffered a setback last year, was now operating profitably.

ALBRIGHT GETS GO-AHEAD IN CANADA

The Canadian Foreign Investment Review Agency has approved the proposed acquisition by Bush Boake Allen Corporation—controlled by Albright and Wilson—of Monsanto Flavour Essence of Quebec. The agency has also approved the proposal by Coal Processing Consultants of Harrow—jointly owned by the National Coal Board and Woodhall-Duckham—to establish a new business in Vancouver to be called CPC Coal Processing Consultants.

MILBURY

As previously arranged Silchester Investments (C.I.) and Airways Garage have acquired the whole of the capital of Milbury's subsidiary Skyport Properties for £59,707 cash.

This represents freehold properties (at book value) of £275,000 less sundry net liabilities of £16,237 and the repayment of the inter-company loan of £199,056, with effect from January 26, 1979.

THOMAS FRENCH EXPECTS GROWTH

A healthy profit advance is forecast for Thomas French and Sons, curtain products and narrow fabric maker, in the current year. Mr. T. J. French, the chairman, says this would partially reflect higher efficiency from the company's re-equipment programme but would include bigger contributions from the electrical divisions. A strengthened balance sheet is also anticipated with investment in new equipment well covered by cash flow.

Lloyds looks to UK for increased profits slice

COMPETITION is cutting margins on international lending to very low levels, says Sir Jeremy Morse, the chairman of Lloyds Bank. In contrast, in the UK not only have interest rates risen but the volume of the group's current account balances increased in real terms in 1978, after four years of decline.

The profit contribution from Lloyds overseas and international business has risen steadily to reach 45 per cent of the total. Now the signs are that the balance is swinging the other way, he points out.

In answer to more criticism of banks profits he reiterates his previous statement that the profits are in fact too low and not sufficient to enable the bank to maintain its "free capital" base.

The erosion of the capital base is only partially offset by the reinforcement of reserves by the release of deferred tax provisions following adoption of accounting standard No. 15, he says.

For 1978 taxable profit was up 10 per cent from £166m to £182m—"a little more than was needed to keep up with sterling inflation of about 8 per cent." On a current cost basis the increase was near 35.5 per cent from £92.2m to £124.9m after an adjustment to maintain free capital of £46m (£59.1m); additional depreciation of £5m (£6.1m) and a £6.4m (£8.8m) downward adjustment of associate's profits.

At year end, cash and short term funds stood at £2.93m (£2.78m) and advances and other accounts at £9.99m (£8.94m) while current, deposits and other accounts amounted to £13.52m (£12.39m).

As reported February 17 the net dividend is stepped up to 10.1487p (9.0884p) per £1 share. The directors propose to increase authorised share capital by £50m to £250m to maintain a reasonable unissued margin.

As a part of the bank's general programme for sharpening its thrust in the UK more flexibility in opening hours is planned including some limited Saturday opening where there is particular demand for it and it would be profitable for the company, the chairman states.

"But generally machines are going to have to do more of the work," Sir Jeremy emphasises.

Two audit committees, composed of non-executive directors are being set up: one for the group as a whole and the clearing bank, and one for Lloyds Bank International. This follows good experience with a similar system in Lloyds Bank California.

The interim dividend on the ordinary is stepped up from 0.3p to 0.335p per 10p share and from 0.6p to 0.67p on the "A" ordinary restricted voting shares.

In 1977-78, the total ordinary dividend was 1p on pre-tax profits of £381,000. The group distributes sewing machines and parts and makes and distributes textile and clothing machinery.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: AAH, Elder Smith Goldsbrough Mort, Scottish Cities Investment Trust, Sungei Knan Rubber Estate.

Finals: De Beers Consolidated Mines, De Beers Industrial Corporation, Greenfields Leisure, Mercantile Investment Trust, Turner and Newall, Unilever, Unilever NV, Union Corporation, George Wills.

FUTURE DATES

Interims:	
British Car Auction	Mar. 12
Ductile Steels	Mar. 13
Lucas Industries	Mar. 29
Stocklake	Mar. 8
Wolseley-Hughes	Mar 15
Finals:	
Ault and Wiborg	Mar. 9
Bestobell	Apr. 25
Bridon	Apr. 4
British Petroleum	Mar. 15
Gill and Duffus	Apr. 10
Morgan Crucible	Apr. 5
Shakespeare (Joseph)	Mar. 9
Smith and Nephew	Mar. 15
Stone-Platt	Mar. 22
Telephone Rentals	Apr. 25
Transport Development	Mar. 8
Weir Group	Mar. 21

Felixstowe Tank profit increase

Turnover of Felixstowe Tank Developments improved from £838,631 to £1,003,195 in 1978 and pre-tax profits were higher at £319,452, against £268,895 previously.

First-half profits had shown an increase from £111,587 to £152,816.

The year's tax charge is £174,936 (£142,756) giving earnings per share of 14.45p, against 12.61p. The final dividend is 10p per share, maintaining the total at 12.5p.

The group is 80 per cent owned by a subsidiary of National Freight Corporation and 20 per cent owned by Felixstowe Dock and Railway Company.

Bogod-Pelepah profits ahead in first half

For the first half year ended September 30, 1978, turnover of Bogod-Pelepah improved from £1.89m to £2.2m and profits before tax were higher at £190,000 against £175,000 in the same period of the previous year.

Cautious outlook at Throgmorton

Despite the quite wide fluctuations in security values during 1978, current general market levels are very similar to those of 12 months ago, says Mr. M. Elderfield, chairman of Throgmorton Trust, in his annual statement.

He adds that the directors, however, are more cautious of the immediate outlook and this is reflected in some increase in the amounts of cash and near cash assets held.

As already known, pre-tax revenue advanced from £2.75m to £3.05m in the year to November 30, 1978.

Shareholders funds rose from £33.86m to £42.45m and investments advanced from £37.5m to £43.41m. Net current assets were £2.43m (£0.39m). Increase in working capital totalled £2.24m compared with £1.24m.

Meeting, 25, Milk Street, E.C., on March 20 at 12.30 pm.

Profits surge for Blackwood Hodge Canada

Net profit of Blackwood Hodge (Canada), 75 per cent-owned subsidiary of Blackwood Hodge, jumped from C$337,000 to $2.76m for 1978 after tax of $1.45m against $182,000. Turnover was slightly up from $108.2m to $111.3m.

The directors of the UK parent say results are sufficiently in line with those forecast for group purposes, and they see no reason to amend the group forecast for 1978, of pre-tax profit not less than £18m.

Figures for the subsidiary included the Tobin Tractor operations in Saskatchewan with effect from July, 1978.

Although profitability has substantially increased it is not intended to declare a dividend for the year, in order to conserve working capital.

Drake & Scull reconstruction

Publishing its first unqualified accounts since 1972, Drake and Scull Holdings confirms that it is examining ways and means of effecting a form of capital reconstruction of shareholders' funds so as to eleminate the £7m deficit on revenue reserves brought about by losses incurred up to 1976.

The electrical, mechanical and construction engineering group also plans to apply to the Department of the Environment for the "determination of the agreement" entered into in 1976 between the Government, the group and its clearing banks following the sale of Holland, Hannen and Cubitts to Tarmac.

Under the terms of the 1976 agreement, the Department of the Environment injected £700,000 into the group in return for an immediate 15 per cent stake in order that Drake and Scull would be able to clear the outstanding commitments of the operations being sold to Tarmac.

The Drake and Scull Board, headed by Mr. Michael Abbott has achieved a complete recovery over the past three years and now plans to place the Department's holding of 598,166 8.45 per cent "E" preference shares. It is hoped that the Government will recover the whole of its investment, "together with an attractive premium," and thus cease to be a shareholder.

Banque Bruxelle Lambert's holding of this class of stock was acquired by institutional investors in the year to October 31 last.

Liabilities in excess of £1.1m were fully discharged in respect of the Munich property during the year. Two previously leased properties—the Denton factory occupied by Sturtevant Engineering Products and Drake and Scull's South West regional offices—have been acquired for a combined consideration of £405,000 which has helped to lift fixed assets from £1.32m to £2.31m. Net current liabilities have been reduced by £320,000 to £1.4m and the net asset base has been raised from £898,000, excluding the South African subsidiary, to £2.33m.

J. Jarvis off at halfway

The downward trend in turnover has been reversed at J. Jarvis and Sons, building and civil engineering contractor, as expected, but taxable profit for the half year to September 30, 1978, was sharply down from £151,000 to £102,000. Turnover for the period jumped £3.73m to £9.51m.

The net interim dividend is raised to 4.9p (4.4p). A 5.1417p final was paid last time from depressed profit of £0.52m.

Tax for the six months amounted to £45,700 (£84,500) for a net balance of £56,300 (£66,600).

Newbold & Burton starts well

ORDER BOOKS for the current year are very good, says Mr. V. F. Burton, chairman of Newbold and Burton Holdings, in his annual statement. But the directors are concerned as to the development of the year with escalating wages and other costs.

The chaos of the leather market in recent months remains, he adds; floods in India, and restrictions on exports of hides from South America and other countries have caused sharp leather cost increases, and price levels are still rising. But, he says, in this respect the company's high fashion sector will help it to cost continually on a more factual basis.

In this current year the potential at Newbold and Burton—the largest subsidiary—should help offset any possible decline elsewhere, says the chairman.

As reported, on February 23 pre-tax profits rose from £468,246 to £698,838 in the 1978 year on turnover 15 per cent higher at £9.92m. A two-for-five scrip issue is proposed.

The strong improvement in the cash situation, explains the chairman, comes not only from the better profit level but also from the sale of a Sileby factory, recently on lease and no longer required.

The directors consider that, with such a strong cash situation, the company should take the opportunity of special government grants to bring its closing machinery up to date over the next three years

Short-term deposits in 1978 totalled £802,500 (nil), while unlisted investments amounted to £149,770 (nil). Net current assets were £1.32m (£928,382). There was an unsecured bank overdraft of £95,772 (nil). Working capital rose £538,000 compared with £272,000.

TOR INV. AHEAD

Taxable income of Tor Investment Trust rose from £200,428 to £228,782 in the half year to January 31 1979, and includes deposit interest of £40,315, against £18,819. Net revenue after tax is up from £128,950 to £146,900.

Tax takes £81,882, compared with £71,478 and the interim dividend per 25p share is lifted from 2.145p net to 2.345p. Last year's total payment was 5.6625p.

The directors say a strict comparison should not be made between the two half-years because of variation in the dividend payment dates, and changes in investments.

Two new unit trusts

Two new unit trusts have just been launched which specialise in overseas investment.

The Cosmopolitan Group, run by insurance brokers Joseph Sanders and Partners, is launching an international fund which will initially be invested mainly in Japanese, German and Swiss financial and industrial shares. The minimum investment is £500.

The Craigmont group is launching a fund concentration—Canadian shares. It will be the first Canada-oriented unit trust. The managers stated yesterday that they believe the country's strength, its wealth of natural resources and the recent fall in the Canadian dollar make Canadian shares a "first-class investment opportunity."

The minimum investment £1,000.

Scottish Agricultural

IN THEIR annual report with the 1978 accounts, the directors of Scottish Agricultural Industries say that on every front, active measures have been and are being taken to minimise the effects of inflation.

Substantial improvements in productivity have been achieved in recent years but inflationary trends demand continued attention.

There were significant increases in the amounts paid in rates while the costs of plant maintenance, fuel and energy continue to rise.

To permit more efficient production planning and control some rationalisation of the product range in the animal feeds sector was carried out, the directors say.

Group profits before tax of 1978 amounted to £4.12m against £4.88m on sales of £81.56m (£79.2m). The profit fall was mainly due to continued pressure on margins with cost increases not being matched by increases in sales.

On a CCA basis, pre-tax profit is reduced to £1.46m (£2.88m) after adjustments for depreciation, £1.47m (£1.41m); cost of sales, £781,000 (£6,000) and net monetary assets adjustment, £407,000 (£508,000).

ICI holds 62.4 per cent (same) of the group's ordinary capital.

Expansion at NEIA

Pre-tax operating income of Northern Engineering Investments Africa increased from R4.46m to R5.46m in the 1978 year. The company was formed last June through the merger of the South African operations of Clarke Chapman and International Combustion and is 62.5 per cent-owned by Northern Engineering Industries.

The income figure comprises R2.8m (R2.1m) from ICAL and R2.7m (R2.3m) from Clarke Chapman. Turnover rose to R65.3m (R59.2m).

After-tax income fell from R3.91m to R3.58m following exhaustion of ICAL's assessed losses for tax purposes. On stated earnings of 70.4 cents, there is a dividend of 18 cents.

NORTH AMERICAN NEWS

Banks fear delays to deals

BY STEWART FLEMING IN NEW YORK

LEADING international banks involved in U.S. acquisitions have expressed their concern about the threat of new delays in legal approvals to takeovers.

Their anxieties have been stirred by moves by Miss Muriel Siebert, New York State's banking superintendent, who last week called on congressional leaders to carry out new investigation into foreign acquisitions of major U.S. banks. But it is still unclear whether the banks fears are well-founded, especially since the Federal Reserve Board recently issued a policy statement which has been interpreted as being generally favourable to foreign bank acquisitions.

In response to Miss Siebert's moves both the Senate and the House of Representative's Banking Committees have indicated that they will start investigations into such takeovers and Senator William Proxmire, chairman of the Senate Banking Committee, has said that the committee may hold hearings.

These decisions are of particular concern to the Hongkong and Shanghai Banking Corporation which almost a year ago announced plans to buy a controlling stake in Marine Midland Banks, the 13th largest U.S. bank with assets of more than $12bn. National Westminster Bank will also be watching developments closely because of its pending acquisition of 75 per cent of the equity of another New York-based bank, the National Bank of North America which has assets of about $4bn.

Hongkong and Shanghai said yesterday that it was "disappointing" to learn that there may be a further delay and Marine Midland said that Miss Siebert's concerns about foreign acquisitions were "unwarranted."

As they watch developments banks are also following closely legislation which has been introduced into the New York State legislature which would expand the state's powers to approve or disapprove of foreign acquisitions. The state banking department has presented these proposals as designed to tidy up an anomaly.

Under present laws both the Hongkong Bank's acquisition and the National Westminster Bank's bid need the approval of the Fed in advance because the concerns set up to make the acquisitions are bank holding companies and prior approval is needed to become a bank holding company.

Because National Bank of North America is nationally chartered it is widely believed that New York state banking authorities could not block the acquisition by NatWest if the Fed approved it. But Marine Midland Bank is state chartered and whatever the Fed decides the New York state banking department has to approve the exercise of voting power amounting to more than 10 per cent of Marine Midland's equity. Thus Hongkong and Shanghai will need the specific approval of the New York state authorities to vote the stock it plans to purchase, in effect giving the state power to obstruct the deal.

Neither state nor Federal authorities will comment on their attitude to specific cases. But the coincidence of Miss Siebert's expressions of concern about foreign takeovers of U.S. banks and the belief that the Fed is about to act on the acquisitions now pending, are raising fears that Miss Siebert's general concerns are rooted in specific pending cases.

The special situation of the Hongkong and Shanghai Bank, which does not have a central bank to act as lender of last resort and which enjoys a relatively relaxed supervisory regime at home, has already complicated its applications for U.S. approvals of the Marine Midland deal.

Boston bank in link with China

BY OUR FINANCIAL STAFF

A DIRECT relationship has been formed between The First National Bank of Boston and Bank of China, which handles financial operations worldwide of the People's Republic of China.

Mr. Richard D. Hill, the chairman of the Boston bank said the new relationship "will facilitate the exchange of all normal banking transactions between our customers and the People's Republic of China."

The bank, he said, had been closely following commercial practices in China since 1971, and in 1976 the bank's representatives attended the Canton Trade Fair "with the express purpose of acquiring extensive experience in assisting customers doing active business there."

The Boston bank has branches in Tokyo, Hong Kong and Singapore, offices in Melbourne and Sydney, and later this year is to open an office in Seoul.

THOMSON BID FOR THE BAY

Seeking the top prize in Canada's stores

BY JIM RUSK IN TORONTO

THERE IS irony in the bid for control of Hudson's Bay by the family and heirs of the late Lord Thomson of Fleet.

In 1978, an aggressive acquisition policy brought the Bay to the top of the department store business in Canada. Now, the Bay itself is the target of a takeover, and this shows in the public statements of its president, Donald McGiverin. In late fall, when he was spearheading the Bay to victory in a six-week battle for the control of Simpsons of Toronto, he was always ready with a quick witticism. Now he is more subdued. His first reaction to the Thomson offer was that it is "interesting," but he refrained from further comment until it is considered by the Bay Board. More than anyone else, Mr. McGiverin is aware of what a prize the Bay represents for the Thomson family or to a challenger to the Thomsons if one emerges.

Mr. McGiverin, once an executive with T. Eaton Co. of Toronto, one of The Bay's two main rivals, took the world's oldest chartered trading company through two key acquisitions. One of the purchases was, of course, Simpsons, The Bay's other chief rival in the department store business, and the other was Zeller's of Montreal, a junior department store chain. Simpson's was the prize catch. While the 21-store chain's sales in the C$700m range in 1978 were just under half The Bay's level before the acquisitions were made, The Bay also obtained a 43.5 per cent interest in Simpsons-Sears, a catalogue and department store retailers with sales of over C$2bn and profits pushing the C$50m mark. Zeller's, which also controls the Fields Department store chain in British Columbia and Alberta has sales of about C$600m and profits of about C$12m.

Share swap

The chain, which was the Canadian operation of the now bankrupt W. T. Grant of New York, is 57 per cent controlled by The Bay.

During the year, The Bay also acquired the 37.5 per cent share of Markborough Properties that it did not own, through a share exchange. In all, The Bay issued about 9m shares in making its 1978 acquisitions to bring the total number of shares outstanding to 23.1m. Markborough is a land developer with projects under way in both Canada and the United States. Although the acquisition of Simpsons gave The Bay close to 30m square feet of retailing space (excluding the interest in Simpsons-Sears), department store retailing is not the only activity of the company.

Department store retailing is not the only activity of the company. It has about 230 retail stores in Northern and Resource Communities, developed from the original trading posts, and about 60 Shop-Rite Catalogue Stores; there is a 38 per cent interest in Eatonbay Financial Services, an aggressive company that, through subsidiaries, markets a range of retail financial services; a travel subsidiary which is jointly owned; a wholesale operation which distributes a number of products including an involvement in the marketing of Hudson's Bay spirits; a fur business where the company is still one of the world's largest — and a 21.1 per cent interest in Hudson's Bay Oil and Gas Co., one of Canada's major petroleum producers. In 1978, the company disposed of its 34.6 per cent interest in Siebens Oil and Gas for a gain of about C$92m.

C$2.1bn assets

The pro forma balance sheet published at the time of Simpsons bid put company assets, after a Simpson merger, at C$2.1bn and shareholders equity at just over C$660m, or about C$29 a share.

However, C$29 a share undervalues the assets, according to Bay Street analysts. David Brodie of the Toronto brokerage firm of R. A. Daly, says the assets, conservatively valued, have a break-up value of C$35, to C$40 a share. The Thomson offer, through two family holding companies is for C$31 a share.

Increase in net income for Hoover

By Our Financial Staff

HOOVER COMPANY, the vacuum cleaner and other home appliance manufacturer, has announced a gain of 8.2 per cent in net income for 1978, in spite of a 3.6 per cent setback in the fourth quarter associated with foreign currency translations.

The year's net income was $34.65m, or $1.87 a share, against $22.78m, or $1.73 a share in 1977. Fourth quarter net income of $9.78m, or 74 cents a share, compared with $10.14m, or 77 cents a share, in the last three months of 1977.

The final quarter brought a loss of one cent a share on foreign currency translation account, against a gain of 18 cents a year earlier, while there was a loss on this account of 2 cents for 1978 as a whole, whereas in 1977, there was a gain of 21 cents.

Sales for the fourth quarter showed a gain of 22.2 per cent to $195.2m, from $159.8m, and those for the year a rise of 17.2 per cent to $691.8m, from $590.7m.

A warning that the results would be affected by the currency translations was given in North Canton, Ohio, last week by Mr. Merle R. Rawson, the company's chairman and chief executive. Operating profit in the fourth quarter had improved, he pointed out.

So far in 1979, business has been good and Hoover did not expect the predicted economic slowdown later this year to cut very deeply into its sales. But he declined to forecast results for the first quarter or year.

Arabian Seaoil to buy Corco

By Our Financial Staff

ARABIAN SEAOIL Corporation which consists of a group of Arab investors headed by Mr. Peter Tamraz, has signed an agreement in principle for the acquisition of Commonwealth Oil Corporation (Corco), the financially troubled oil group.

The contract calls for Seaoil to invest $70m in a new company to be formed to carry on Corco's trading activities. Agreement has to be obtained with Corco's major creditors by April 16.

Rhone-Poulenc bid move

NEW YORK — Rhone-Poulenc SA has commenced an action in the Supreme Court of the State of New York, county of New York, against Dai Nippon Ink and Chemicals America.

The action seeks to enjoin Dai Nippon from proceeding with its announced tender offer for the common stock of Polychrome Corporation without complying with the New York Securities Takeover Disclosure Act and an order has been entered in this action requiring Dai Nippon to show cause why it should not be enjoined from proceeding with its offer without such compliance.

Rhone-Poulenc's action in the U.S. District Court for the Southern District of New York seeking to enjoin Dai Nippon's tender offer is still pending.

AP-DJ

Strong year seen at Abitibi

TORONTO — Abitibi Paper Expects higher earnings and sales in 1979, Mr. Thomas Bell, the chairman and chief executive officer said in the company's annual report.

Last year Abitibi, which is expected to change its name to Abitibi-Price, earned C$78.3m on sales of C$1.29bn.

Mr. Bell said it plans capital expenditures of C$700m over the next five years, including C$340m for modernisation of its mills, C$230m for increased capacity in product lines and C$130m to meet environmental requirements.

The company's newsprint and uncoated groundwood paper mills are expected to operate at capacity throughout 1979. The fine papers and building materials divisions ment in 1979.

Bell Canada plea

Bell Canada has petitioned the Federal Cabinet to overturn a ruling from the Canadian Radio-Television and Telecommunications Commission (CRTC) that all profits from a Saudi Arabian contract be treated as income, reports Reuter from Ottawa.

NYSE income rises

The New York Stock Exchange announced net operating revenue for 1978 of $6.2m against $4.5m, reports Reuter from New York. Gross revenues of $96.8m compare with $87.9m last time. The 33.5 per cent rise in average daily trading during the period is reflected in increased revenues from commission charges of $4.5m or 34.3 per cent to $22.6m from $18.1m.

Reuter

Hong Kong textile group buys stake in Dan River

BY OUR NEW YORK CORRESPONDENT

UNITEX, a Hong Kong-based textile company, has bought just over 8 per cent of the equity if Dan River, a diversified textile producer with sales revenues of over $500m last year.

But Unitex has indicated that although it should not be considered to be a passive investor, it does not have any intention to seek control of, or a joint venture with, Dan River.

Dan River had filed a lawsuit seeking information about Unitex, in particular, the source of its financing. As a result of this, Unitex disclosed that Wardley, a subsidiary of the Hongkong and Shanghai Bank and Chartered Bank, a subsidiary of Standard and Chartered, have financed the purchases of 8.07 per cent of Dan River.

As a result of the disclosures, the Federal Court in Richmond, Virginia has lifted a temporary order restraining Unitex and its subsidiary, Mannip, from buying more Dan River stock.

Dan River has indicated that it is concerned about the objectives of Unitex and about who owns and controls the company. It is expected to file a request with the court for further disclosure.

EUROBONDS

DM200m loan for Norway

BY FRANCIS GHILÈS

A DM 200m five-year bond for Norway opened the Deutsche Mark new issue calendar for this month: other terms for this bond which is led by Deutsche Bank include a coupon of 6¼ per cent and a price not below par. The lead manager reserves its right to close the books earlier than the normal subscription period which falls on March 14.

The terms of this bullet issue confirm that coupons in the foreign DM market which have been moving up over the past two weeks now look as if they will settle at current levels. The friendly tone in the domestic Deutsche Mark market should contribute to this stability.

Coupons have also been going up on Japanese DM convertibles: the indicated coupon of 4¼ per cent on the private placement for Chujitsuya Company was increased to 5 per cent by the lead manager Bayerische Vereinsbank who set the conversion price at Y1,312 per share.

In the secondary market, the price of seasoned issues moved up by about ¼ of a point while that of recent issues, with the exception of Lufthansa, were a shade easier.

The EIB is to float an $80m two tranche issue through Instituto Bancario San Paolo di Torino: the first tranche amounting to $50m is for seven years with an average life of five and carries a coupon of 9¼ per cent. It has been priced at 99½ to yield 9.57 per cent.

The second tranche is for 12 years with an average life of nine and carries a coupon of 9¾ per cent. It has been priced at 99¾ to yield 9.79 per cent.

The secondary sector of the dollar market was very quiet yesterday with the prices of some issues moving a shade upwards. In the Floating Rate Note sector the $30m issue for Thailand was priced at par with indicated conditions otherwise unchanged. It was being quoted at 97½-¾ in early trading by the lead managers, Manufacturers Hanover and BNP.

Prices of seasoned bonds in the sterling sector moved up by between ¼ and ½ point yesterday and the new FFI issue which was trading for the first time closed at 100¾-101½. Most issues rose sharply during the morning and came off the top in the afternoon.

Richard Hanson writes from Tokyo: Malaysia yesterday signed an agreement to float long-term yen bonds in Tokyo with a coupon rate at the highest levels since August, 1977.

The issue will be for Y15bn over ten years, the coupon rate was set at 7.2 per cent with an issue price of 99.25 per cent with Nomura Securities leading the underwriting group.

It is Malaysia's second yen bond, following an April, 1978, issue of an equal amount for ten years with an identical coupon of 6.5 per cent per annum, priced at 99.25 per cent.

New UV asset distribution plan

BY DAVID LASCELLES IN NEW YORK

UV INDUSTRIES yesterday modified its plan to go into liquidation and distribute its $500m worth of assets to shareholders. The Board announced that should this plan not get the necessary two-thirds approval at a special shareholders' meeting on March 26, a second proposal would be voted on. This would provide for the sale of only part of the company's assets, and its continuation in existence. This plan would need only a majority vote.

The aim is to thwart any attempt by Mr. Victor Posner, a large shareholder, to block the liquidation and to seek to gain control of UV's cash assets. The new proposal would enable shareholders to benefit at least from a partial liquidation, even if the total liquidation plan failed to go through.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on March 5

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Age Akt. 9¼ 88	25	94¼	94¾	0	+0¼	10.20
Bayer Int. F. XW 7⅞ 88	200	83⅞	84½	—	—	9.82
CECA 9¼ 84-99	50	95½	96⅛	0	0	9.84
Canada 9 83	400	97⅞	98⅛	−0⅛	+0¼	9.73
Canada 9¼ 98	350	95⅞	96⅜	+0⅛	+0⅛	9.93
Canadair 8½ 83	70	94½	94⅞	+0⅛	+0¼	10.08
Dominion Bridge 9 88	25	93¼	93⅞	−0⅛	−0½	10.27
Dow Chem. O/S 9¼ 94	200	95	96½	—	—	10.12
EIB 9¼ 98	125	93⅜	93⅞	+0⅛	+0⅛	10.11
Export Dv. Cpn. 9.85 84	150	100¼	100⅝	−0⅛	0	9.98
Export Dv. Cpn. 9¼ 84	100	96⅝	97¼	—	—	10.01
Eksportfinans 9 86	50	95¾	96⅜	0	+0⅜	9.85
Finland 8¾ 83	100	95½	96⅛	+0⅛	−0⅛	10.20
Finland 9 88	100	94¾	95⅛	+0½	+0¼	10.06
Finland 9½ 86	100	96¾	97¼	+0½	−0⅛	10.11
GTE Fin. 9½ 84	50	97¼	97⅝	+0½	−0⅜	10.13
Gould Int. Fin. 9¾ 85	50	98⅞	99½	+0½	+1⅛	9.95
Hospital O/S 9 83	25	96½	97	+0¼	0	9.89
Hudson Bay Co. 10 94	50	99⅝	100¼	+0⅛	+0⅛	10.01
Itel Finance 9¾ 90	30	94	96½	+0¼	+0¼	10.62
J. C. Penney 8½ 83	100	95¼	95¾	0	+0½	9.78
Manitoba 9½ 88	75	95¾	96¼	+0½	−0⅛	10.07
Nat. West. 9 86	75	96½	96⅞	0	0	9.70
New Brunswick 9¾ 94	75	96⅞	97⅜	0	+0⅛	10.13
Newfoundland 9¾ 90	50	95½	95⅞	0	0	9.90
Nord. Inv. Bk. 8¾ 88	25	94¼	94¾	−0¼	−0¼	9.67
Norsk Hydro 9⅜ 94	50	94½	95⅛	0	0	9.92
Norway 7⅞ 83	250	92¾	93⅛	0	+0¼	10.00
Norway 8¾ 83	150	96½	97	+0¼	+0½	9.92
Norway 9¾ 84	150	99¾	100¼	−0⅛	0	9.98
Ont. Hydro 8½ 85	125	93½	93⅞	+0⅛	+0⅛	9.50
Portland 10 84	50	95¼	96¼	—	—	10.98
Quebec Hydro 9½ 93	50	95⅝	96¾	0	+0½	9.98
Redland XW 9½ 91	25	90¾	91¾	+0¼	−2¾	10.87
Sears Roebuck 9 82	150	97¼	97¾	+0⅛	0	10.01
UK 8½ 85	200	95¼	95¾	+0⅛	+0¼	9.70
UK 8¾ 93	150	93½	94¼	0	+0⅛	9.91

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 5½ 87	70	95⅞	97⅛	−0⅛	0	5.97
Argentina 6½ 88	150	94⅞	95⅜	−0⅛	−0⅛	7.19
Australia 6 88	250	99⅝	100⅛	−0⅛	+0⅛	6.01
Austria 5¾ 90	150	92⅝	92⅞	+0¼	+0⅞	6.68
Bankamerica 5¾ 90	150	98	98½	0	−0¼	5.96
Bq. Ext. Algerie 7⅛ 85	100	96½	97¼	+0⅛	+1⅛	7.86
Brazil 7¼ 87	150	100¼	100¾	0	+0⅛	7.14
CECA 6 88	150	96⅛	96⅞	0	0	6.47
Ch. Manhttn. O/S 6 93	100	98⅛	99⅛	0	+0⅛	6.06
Commerzbank WW 3½	100	100⅜	101½	+0⅛	+0⅛	2.38
Commerzbank XW 3½	100	81	82	0	−0⅛	6.16
Copenhagen City 6 90	75	91½	92⅛	+0½	+0⅛	7.06
Council of Europe 6¼	130	96⅞	97⅛	+0¼	+0⅛	6.64
Denmark 5¾ 85	100	98½	98⅞	+0⅛	+0⅛	6.45
Denmark 6½ 89	100	96⅛	97⅛	0	+0⅛	6.94
EIB 6 90	300	93½	94	−0⅛	0	6.79
EIB 6½ 91	200	97	97½	+0⅛	+0¼	6.84
Eletrobras-Brazil 7 87	100	97½	97⅞	+0⅛	+0⅛	7.40
Eurofima 6½ 89	100	100⅜	100⅞	+0⅛	+0⅛	6.41
Finland 6 83	150	99⅞	100⅜	0	0	5.93
Hitachi Ship. 5⅞ 83	90	98½	99¼	0	−0⅛	6.02
Indonesia 7 84	100	98¾	99¼	+0½	+0⅛	7.35
Kobe, City of 5¾ 86	100	98⅛	98⅝	−0⅛	+1⅛	6.00
Mitsubishi Petro. 5⅞ 85	100	98⅞	99⅜	−0⅛	−0⅛	5.91
New Zealand 6¼ 87	200	99⅞	100⅜	+0⅛	+0⅛	6.22
Nippon Steel 5¾ 85	100	97¾	98½	0	−0⅛	6.10
Nippon Tel. & T. 5⅞ 87	100	95⅛	95⅝	0	+0⅛	6.09
Nordic Inv. Bk. 6⅛ 86	60	98¾	98⅞	+0⅛	+0⅛	6.52
Norges Komm. 6 90	100	95¾	96⅛	+0⅛	−0⅛	6.52
Norges Komm. 5¾ 89	150	97¼	98¼	+0⅛	+0½	6.53
Occidental 6¾ 90	[illegible]	96¼	96⅞	+0⅛	+0¼	7.20
OKB 6½ 88	100	99⅞	100⅜	0	+0⅛	6.48
OKB 6 87	40	97⅞	98⅜	+0⅛	+0⅛	6.28
Petroleo Brazil 7 86	100	97½	97⅞	0	+0⅛	7.35
Ricoh 5⅞ 83	30	98	98½	0	+1⅛	5.70
Statoil 6 86	150	96¼	96⅞	−0⅛	+0⅞	6.60
Statoil 6½ 89	150	†97¾	98¼	+0⅛	+0⅛	6.78
UDS Group 5¾ 83	65	96¼	96⅞	+0½	+0⅞	6.63
Union Bank-Finn 6½ 88	50	94⅞	95⅜	+0⅛	+0⅛	7.21
Venezuela 6½ 90	150	92¼	92¾	+0¼	+0½	7.41
World Bank 6¼ 88	400	97¼	98	+0⅛	+0⅛	6.58

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¾ 88	40	104¾	105	0	+1⅜	4.63
Amer. Exp. Int. 3½ 93	40	99¼	99⅞	−0½	0	3.62
Arlberg Tunnel 4 93	40	99⅞	100⅜	−0⅛	+0⅛	4.00
Asian Dev. Bank 3½ 94	100	†90	90½	−1¼	−2¾	4.40
Austria 3½ 93	100	96½	97	−0⅜	−1⅛	3.79
Brazil 4¾	100	99½	99¾	0	+0⅛	4.30
Chase Manhattan 4 93	70	102	102½	−1	−2	3.79
Council of Europe 4⅞	100	101⅞	102⅜	−0¼	−0⅞	4.03
Bankamerica 3¾ 93	80	100¼	100½	0	+0½	3.71
BNDE 5 88	75	101½	101¾	−0⅛	+0¼	4.78
Denmark 4½ 90	100	103⅛	103½	+0⅛	+0⅛	4.12
EIB 4¾ 93	100	100⅜	100⅞	−0¼	0	4.18
Euratom 4¼ 93	80	100⅜	100¾	−0⅛	−0⅛	4.19
F. L. Smidth 4½ 89	25	102½	103¼	−0⅛	−0⅛	4.15
Finland 4½ 93	80	101¼	101¾	+0⅛	−0⅛	4.38
GZB 4½ 93	100	103	103½	−0⅛	−0⅛	4.19
Heron 4⅞ 88	35	99⅝	99⅞	+0¼	−0⅞	4.28
ICI Fin. NV 3½ 94	230	93	93½	−1¼	−0⅛	4.10
Malaysia 4¼ 90	80	98⅞	99¼	−0¼	+0¼	4.35
Neweg 4 93	70	99½	100¼	−0⅛	−2¼	4.01
New Zealand 3½ 94	120	97	97½	−0⅛	−0⅛	3.74
Norges Komm. 4¼ 90	100	103	103¼	−0⅛	−0⅛	3.87
Oy Nokia 5 90	20	†102½	103½	−0⅛	+0⅛	4.65
Sandvik 4 90	85	99½	100¼	−0½	−1	4.01
Sees 4½ 88	15	102¼	103	−0⅛	−0½	4.15
Voest-Alpine 4⅞ 93	100	103¼	104	−0⅞	−0⅛	4.10
Vienna 4 93	100	99¾	100	−0⅛	+0¼	4.01
World Bank 4⅞ 93	250	100	100¾	0	−0⅛	4.24

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 5¾ 88	15	85¼	87½	−0¼	−3	7.70
Australia 5.6 83	30	97½	98½	−0⅛	−1⅞	6.18
Australia 6½ 88	20	92⅝	93⅝	−0½	−3⅛	7.65
BFCE 6.4 90	30	†91	92	+0¼	−2⅜	7.67
Finland 5.6 83	10	97	98	−0⅛	−0⅛	6.30
Finland 6.8 88	10	95	96	+0¼	−1⅞	7.59

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Rank O/S Hold. 11½ A$	12	94⅛	95⅞	+0⅛	+0¼	[illegible]
Auto Cote B. 7 93 EUA	16	91¼	92¼	+0⅛	+0⅛	[illegible]
Komm. Inst. 7½ 93 EUA	15	97⅛	98¼	0	+1⅛	[illegible]
Panama 8¼ 93 EUA	20	94½	95⅜	+0⅛	+0½	[illegible]
SDR France 7 93 EUA	22	92¼	93¼	+0⅛	+0⅛	[illegible]
Algemene Bk. 6¼ 83 Fl	75	94½	95¼	+0⅛	+0⅛	[illegible]
CFE Mexico 7¼ 83 Fl	75	98	98¾	+0⅛	+0⅛	[illegible]
EIB 7⅛ 85 Fl	75	94⅛	95¼	+0⅛	+0½	[illegible]
Neder. Midd. 6½ 83 Fl	75	94¼	95¼	+0⅛	+0⅛	[illegible]
New Zealand 6¾ 84 Fl	75	94⅛	95¼	+0¼	+0½	[illegible]
Norway 6½ 83 Fl	100	94¼	94⅞	0	+0½	[illegible]
Elf Aquitaine 9¾ 88 FFr	150	†98¼	99¼	−0⅛	−0⅛	[illegible]
EIB 9¾ 88 FFr	200	†99	99½	−0⅛	−0⅛	[illegible]
Norway 9¼ 84 FFr	200	99½	100¼	+0⅛	0	[illegible]
PSA Peugeot 9¾ 87 FFr	175	†99¼	99¾	−0⅛	−0⅛	[illegible]
Unilever 10 85 FFr	100	101¼	102¼	+0⅛	+0⅛	[illegible]
CECA 9⅛ 89 £	20	89¼	90¼	—	—	[illegible]
Citicorp 10 93 £	20	86½	87	—	—	[illegible]
EIB 9¾ 88 £	25	88½	89½	—	—	[illegible]
Finance for Ind. 10 89 £	12	86⅞	87⅝	—	—	[illegible]
Fisons 10¾ 87 £	10	89⅞	90¾	—	—	[illegible]
BAT 8 88 LuxFr	250	95⅞	97⅛	−0⅛	+0½	[illegible]
Bayer Lux. 8 86 LuxFr	250	97½	98½	+0⅛	+0¼	[illegible]
EIB 7¾ 88 LuxFr	250	96¾	97¾	+0⅛	+0⅛	[illegible]
Finland I. F. 8 88 LuxFr	250	97¼	98⅛	+0⅛	+0⅛	[illegible]
Norway 7¾ 83 LuxFr	250	97¼	98¼	+0½	+0⅛	[illegible]
Norges Km. 8 86 LuxFr	500	98¼	99¼	+0¼	+0⅛	8.12
Renault 7¾ 88 LuxFr	500	96⅝	97⅝	+0⅛	+0⅛	[illegible]
Solvay Fin. 8 85 LuxFr	500	100¼	101¼	+0⅛	+0⅛	[illegible]
Swedish Bk. 8 88 LuxFr	500	98¾	99¾	0	+0⅛	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bk. M6.5 83	0⅜	95⅞	96⅜	31/7	11.44	[illegible]
BFG Fin. Co. M5.5 89	0¼	98⅛	98⅝	12/7	12.4	[illegible]
Bco. El Salvador M8 83	1⅛	97½	98	12/4	11.31	[illegible]
Bco. Nac. Argnt. M8 83	0¾	99½	100	21/7	12⅛	[illegible]
Bank of Tokyo M5½ 93	0¼	97¼	97¾	18/4	10½	[illegible]
Banque Worms M5¾ 85	0¼	97⅞	98⅜	15/6	12	[illegible]
Bq. E. d'Alg. M8.375 84	0¾	95⅝	96¼	9/8	11⅝	[illegible]
Bq. E. d'Alg. M7.5 85	0⅜	95¼	95⅞	2/5	12⅛	[illegible]
Bq. Indo et Suez M5½	0¼	98⅞	99⅜	25/7	12	[illegible]
Bq. I. Af. Occ. M6.5 83	0⅜	97¼	97¾	12/7	12.4	[illegible]
BNP 5½ 91	0¼	[illegible]	[illegible]	[illegible]	11⅝	[illegible]
CCCE M5.25 98	0¼	97½	98	3/8	11⅛	[illegible]
Ch. Man. O/S M5¾ 93	0⅛	97⅞	98½	27/7	11.73	[illegible]
Credit National M5¾ 88	0⅛	98	98½	11/7	12.31	[illegible]
Gotabanken M6 88	0¼	98¼	98¾	16/5	12.31	[illegible]
Ind. Bk. Japan M5½ 85	0⅛	99⅝	100⅛	1/6	12.35	[illegible]
Ljubljanska M7.75 85	1	96⅝	97⅛	18/7	12.94	[illegible]
LTCB Japan M5¾ 85	0⅛	99⅜	99⅞	9/5	12.06	[illegible]
Midland Intl. M5½ 93	0¼	98⅛	98⅞	20/7	12¼	[illegible]
Nat. West. M5½ 90	0¼	99¼	99¾	21/6	12½	[illegible]
Nipp. Crdt. Bk. M5.5 85	0¼	99⅞	100⅜	22/6	12.31	[illegible]
OKB M5¾ 88	0¼	100½	101	18/4	10.56	[illegible]
Offshore Mining 86	0¼	98¾	99¼	19/7	12.19	[illegible]
Petro Mexicano 7¾ 84	0¼	99¼	99¾	24/7	12.06	[illegible]
Privredna Banka M8 86	0⅞	†95⅝	96⅛	22/6	13.44	[illegible]
Standard Chrt. M5.5 90	0¼	97⅛	97⅝	10/8	11.56	[illegible]
Sundsvallsbnkn. M6 85	0¼	97⅛	97⅝	4/4	10.06	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Asics 5¾ 93	9/78	628	91¼	93	+3¼	[illegible]
Baker Int. Fin. 5½ 93	1/79	34	105¼	106¾	+0½	[illegible]
Boots 6¾ 93	2/79	2.16	94¾	95⅛	+1¼	[illegible]
Coca-Cola Bottling 6¾	4/79	9	85	86½	−0⅞	[illegible]
Honda Motor 5½ 89	5/79	532	92½	93¼	—	[illegible]
Ito-Yokado 5¾ 93	6/78	1339	117½	118¾	+1¼	[illegible]
Novo Industri 7 89	4/79	259	89¼	90¾	+0⅛	[illegible]
Texas Int. Air. 7½ 93	4/79	14.5	90	91½	+1½	[illegible]
Thorn Int. Fin. 7 88	11/78	3.67	105¼	106¾	+3⅜	[illegible]
Tyco Int. Fin. 8½ 88	9/78	21	98½	99¾	−0⅛	[illegible]
Tyco Int. Fin. 5 84	5/78	61.5	74	75½	0	[illegible]
Asahi Optical 3½ DM	12/78	588	95¼	96¾	+1½	[illegible]
Casio Cp. 3½ 85 DM	11/78	841	92⅞	93⅞	+1¼	[illegible]
Izumiya 3¾ 86 DM	10/78	989	86	87	−0⅛	[illegible]
Jusco 3½ 86 DM	1/79	1154	87¾	88¾	−0½	[illegible]
Kansai Elec. 4 84 DM	4/79	1350	90¾	91½	+0⅛	[illegible]
Konishiroku 3½ 85 DM	1/79	612	89⅛	90½	+0⅛	[illegible]
Marudai Food 3½ DM	2/79	1033	86⅛	87⅛	−0⅛	[illegible]
Murata M. 3½ 86 DM	11/78	854	99	100	+3	[illegible]
Nipp. Air. 3.5 88 DM	12/78	508	85¼	86¼	+0⅛	[illegible]
Nippon Shinpan 3¾ DM	8/78	738	95¾	96¾	+0⅛	[illegible]
Nippon Yen. 3½ 85 DM	1/79	251	92½	93½	−0⅛	11.04
Nissan Diesl. 3½ 86 DM	2/79	477	87⅛	88⅛	0	[illegible]
Olymp. Opt. 3½ 85 DM	2/79	703	97⅛	96⅛	+0½	[illegible]
Ricoh 3½ 86 DM	10/78	617	91⅞	92⅞	+0⅛	[illegible]
Sanyo Electric 3½ DM	11/78	296	87	88	+1⅛	[illegible]
Sharp Cp. 3½ 86 DM	2/79	487	90¾	91¾	+0⅛	[illegible]
Stanley Elec. 3½ DM	11/78	623	87½	88½	+0½	[illegible]
Tokyo Elec. 3½ 87 DM	4/79	476	89½	90½	+0⅛	[illegible]
Tokyo Ld. Co. 4 86 DM	4/79	495	90	91	+0¼	[illegible]
Trio-Knwd. 3½ 86 DM	11/78	711	85½	86½	+0¼	31.00

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

هكذا من الأصل

Cie Bancaire shareholders to receive higher payout

BY ROBERT MAUTHNER IN PARIS

COMPAGNIE BANCAIRE, the major French banking and credit holding company, announces a net profit for 1978 of FFr 70.6m ($16.5m) compared with FFr 65.8m in 1977.

The annual meeting, due to take place on April 25, will be asked to approve the payment of FFr 38.5m in dividend. This corresponds to FFr 10 per share (against FFr 8 last year), with a FFr 5 tax bonus, representing tax already paid to the Treasury, bringing the total dividend to FFr 15 a share.

The consolidated profit will not be announced until March , but is estimated to be 15 per cent higher than the FFr 257m achieved in 1978.

After provisions for taxes and exceptional charges of some FFr 44m, Compagnie Bancaire's net operating profit came to FFr 79.2m; only marginally down from the previous year's FFr 80.7m, but some FFr 20m up on 1976.

Banking operations yielded a pre-tax profit of FFr 63.8m. The costs of FFr 20.3m for the May 1978 bond issue, together with risk provisions have been incorporated in the account. Gross portfolio revenues totalled FFr 59.2m, some FFr 4m more than in 1977.

Credits granted by the group's companies, which specialise in all kinds of credit operations including hire purchase and house mortgages, totalled FFr 20.9bn in 1978, up by 11 per cent on the previous year. Loans outstanding at the end of last year totalled FFr 51.6bn.

The raising of the dividend from FFr 8 to FFr 10 marks a modification of Compagnie Bancaire's policy in this field, which has been to distribute a fixed payment per share every year, with the increase in shareholders' revenue coming from scrip issues.

Thus, for the 12-year period covering 1966 to 1977, shareholders have always received a total dividend (including tax bonus) of FFr 12 per share, but have benefitted from five scrip free issues. This has assured them an increase in average dividends of 12.6 per cent per annum.

KHD rights issue to raise DM 130m

By Our Financial Staff

DESPITE LOWER profits and sales, Kloeckner-Humbolt-Deutz is raising its dividend for 1978 by DM1 to DM7 per share. The company also proposes a one-for-five rights issue to raise DM132.6m ($71m).

In a letter to shareholders, the West German engineering group (diesel motors, vehicles and process plant) puts forward proposals for an increase in capital to DM265m from DM220.8m. Subscription to the new shares—at a price of DM150—will be open from March 12 for 16 days.

Sales last year eased from DM4.7bn ($2.5bn) to DM4.4bn and profits, although described as satisfactory, show a reduction on the DM46.5m net achieved in 1977. As recently as last August, the company was predicting a decline in earnings for 1978.

Looking to 1979, the current year, KHD said that despite some "factors of insecurity," the company expected to expand its turnover and once again achieve satisfactory earnings. The main reason for this expectation was a 19 per cent increase in outstanding orders at the end of 1978 compared with the year before. Outstanding orders totalled DM2.76bn compared to DM2.4bn the year before.

Volvo dividend rise and cash call

BY WILLIAM DULLFORCE IN STOCKHOLM

THE VOLVO Board is to raise SKr 212m ($48.7m) in new capital by a one-for-five rights issue at SKr 60. It is smoothing the way for the issue by increasing to SKr 7 a share its earlier proposal to pay an unchanged SKr 6 dividend to shareholders for 1978.

Volvo is returning to the Swedish market for capital after its shareholders blocked the management's ambitious plan to sell 40 per cent of the company to Norway. The Norwegian deal would have brought SKr 750m in new capital.

When that deal was defeated at the end of January, Mr. Tore Browaldh, the Board chairman, said Volvo needed at least SKr 500m in new capital to carry out its long-term investment plans. Mr. Pehr Gyllenhammar, the managing director, said the SKr 212m rights issue now proposed was considered to be what the market "would bear for the time being."

The Board noted in a communique issued after the Sunday meeting that the 1978 result embodied an increase of around SKr 300m in earnings and that sales had got off to a sound start this year. Volvo cars had achieved record market shares in Sweden and the U.S., while the order intakes of both Volvo trucks and Penta diesel engines had been good.

The efforts currently being made should give good future returns the Board believed. It would be "natural" for the dividend to follow the long-term profit development and for Volvo shares to be an attractive placement.

The Board proposed to introduce Volvo shares to the Oslo Stock Exchange and to continue the co-operation with Norwegian industry foreshadowed in the aborted deal. Contact would be maintained with the Norwegian oil industry, but Mr. Gyllenhammar said he had little hope that Volvo would be involved in the forthcoming allocation of North Sea blocks.

On the Stockholm Stock Exchange yesterday the Volvo price jumped to SKr 92 in initial dealings but fell back to Skr 88.50 at the close for a gain of SKr 4.50 over the closing price on Friday. Trading in Volvo shares was described as brisk.

The rights issue was welcomed by shareholders who had been critical of the Norwegian deal. Mr. Haakan Gergils, chairman of the shareholders' Association, expected shareholders to support the issue. Mr. Sigvard Ando, managing director of the Custos Investment Company, said the issue was smaller than expected and should not be difficult to place.

Both attached importance to the Board's decision to raise the 1978 dividend as marking recognition by the board of the need to offer a fair return on risk capital.

Svenska Handelsbanken ahead

BY OUR NORDIC EDITOR

SVENSKA HANDELSBANKEN improved its adjusted earnings on the consolidated account from SKr 54 to SKr 76 a share in 1978 and continued to stay well ahead of the average earnings for the Swedish banking sector.

The banking operation increased its operating profit by 43 per cent to SKr 833m ($191m), giving a return on equity of 15.6 per cent compared with 13.1 per cent in the previous year. The balance sheet grew by 20 per cent to SKr 48.9bn.

Mr. Jan Ekman and Mr. Tom Hedelius, the two managing directors, state in the final shareholders report for 1978 that the prospects of maintaining the bank's profit lead are good. The board's decision to propose a SKr 2.50 increase in the dividend to SKr 18.50 is an expression of confidence in Svenska Handelsbanken's future profit capacity, they say.

The proposed dividend is in line with the bank's principle that the return to shareholders should be proof against inflation. The 1977 dividend fell short of this aim because the board respected Swedish Government requests for dividend restraint but the ground lost by shareholders has been more than recovered by the 1978 payment.

The bank's subsidiary operations, which now account for a fifth of the consolidated turnover and profit have been growing at the same pace as the bank itself. Consolidated earnings climbed by just under SKr 300m to SKr 975m last year.

Svenska Handelsbanken continued to expand its foreign operation. Currency dealing did not give as good a return as in 1977 but the bank managed a considerable volume of short-term finance for Swedish trade and increased its share of medium and long-term borrowing in foreign currencies.

During 1978 a wholly owned subsidiary was established in Luxembourg and built up a profitable business within six months.

Increased result from Brown Boveri

By Our Zurich Correspondent

HIGHER PROFITS and an unchanged dividend are announced for 1978 by BBC Brown Boveri, the Swiss engineering company.

Net profits of the parent company rose to SwFr 41.7m ($24.8m) from SwFr 38.8m last year, an improvement of 7½ per cent. Sales—also for the parent only—moved ahead by more than a tenth to SwFr 2.32bn.

Dividends are being held at SwFr 50 per "A" series Bearer share and SwFr 10 per "B" series Bearer share and Participation certificate. Payment will be on capital increased last year by 10 per cent.

KNP relieved of Okto losses

BY CHARLES BATCHELOR IN AMSTERDAM

DUTCH PAPER-MAKER Koninklijke Nederlandse Papierfabriek (KNP) said it has reached agreement under which Okto, its loss-making subsidiary, will almost cease to be a drain on its resources. Teething troubles at Okto, which operates a board-making plant at Winschoten, in the north-east Netherlands, meant that KNP, which was otherwise profitable, made a loss of Fl 4m ($2m) in 1978.

KNP, which has a 51 per cent stake in Okto, and the state-owned development company for the northern Netherlands (NOM), which holds the remaining 49 per cent, have agreed on a financial restructuring of Okto with the economics ministry. This will mean that KNP's group results will in future hardly be influenced by Okto.

Under the plan, debts to KNP and government-guaranteed loans totalling together more than Fl 70m ($35m) will be written off. Okto's share capital of Fl 80m will be increased by Fl 40m, with KNP and NOM maintaining their respective shareholdings. KNP will also provide Okto with overdraft facilities worth up to Fl 10m.

The details of the rescue are still being worked out and will be announced in KNP's annual report, due on April 26. Starting up problems with Okto's board-making equipment and the low prices for testliner and corrugated board resulted in Okto's losses since 1976 having absorbed almost its entire assets. The equipment is now working properly and it will be capable of producing about 65,000 tonnes of board in the current year. Overcapacity for flexible board is expected to continue for several years, however, KNP said.

On the basis of the earlier forecast by the KNP Board that net profits would be about Fl 11m in 1978 and the reported loss of Fl 4m, Okto losses were about Fl 15m.

Bank of Finland maintains earnings

By Lance Keyworth in Helsinki

WITH THE benefit of more profitable trading activities in fiscal 1978, Bank of Finland has produced what it describes as a relatively good result for the year. Its balance-sheet total moved up by 14 per cent to FM 3.23bn ($820m) and the bank's total guarantee commitments rose by 10.6 per cent to FM 2.54bn.

The deposit total rose by 5 per cent to FM 1.88bn, including FM 231m in cheque accounts. The increase in lending was held to 7 per cent, compared with 11.5 per cent in 1977, and totalled FM 2.24bn at the end of the year. The bank's liquidity ratio was 7.2 per cent; a 4 per cent minimum is required.

The bank transferred FM 12m to the credit loss reserve, taking the total reserve up to FM 79.5m at the end of the year, which was 3.5 per cent of the credit portfolio. Net earnings for 1978 after this transfer, tax and depreciation came to FM 10.7m, practically the same as the profit in 1977. Bank of Helsinki proposes to maintain a dividend of 11 per cent on its share capital of FM 84m.

The bank launched a new share issue in January, 1979, which will raise its share capital to FM 105m. When the new issue closes in April, Bank of Helsinki's aggregate equity and reserve funds will be FM 226.3m.

U.S. bankers concentrate on new Eurobond activity

BY NICHOLAS COLCHESTER

BANKERS TRUST INTERNATIONAL yesterday began to make markets in 75 fixed rate dollar Eurobonds in addition to its established market-making activity in floating rate notes and Eurodollar certificates of deposit. The development is part of a conspicuous move by U.S. banks to increase their involvement in the Eurobond secondary market.

Amex Bank, the London subsidiary of American Express, is building up to a start in April as market maker in 52 Floating Rate notes and 175 straight dollar bonds. Bank of America and Chemical Bank have already increased their market making activities. Among the Wall Street investment banks Blyth Eastman Dillon and Kuhn Loeb Lehman have emerged this year as substantial market makers in the international bond market in London.

Their common argument for an increased presence in the secondary market is that building up competence and a reputation in the bond trading business is a prerequisite for success as a manager of new issues.

Mannesmann turns in sluggish performance

BY GUY HAWTIN IN FRANKFURT

MANNESMANN, the large West German pipe, plant and engineering group, saw group sales rise by 7 per cent last year. They went up from DM 11.71bn to DM 12.56bn ($6.75bn).

Profits, however, were disappointing and, according to the management yesterday, the hoped-for 1978 improvement failed to materialise. Earnings remained at about the same level as 1977 when the net fell 28.7 per cent to DM 216m.

The report stated that profits were hit by the steel workers' strike which affected the group's West German smelters and tube works. The dispute had offset the benefits the group had reaped from improved utilisation of capacity and price increases in a number of operational areas.

Earnings performance in the Demag, Rexroth and plant construction divisions had been satisfactory, said the report. Profits in the Mannesmann trading operations had also improved. Generally, 1979 had started confidently, said the report.

Landis and Gyr to hold profits

By John Wicks in Zurich

SWISS electrical engineer, Landis and Gyr, expects to broadly maintain profits for this year. In the year ended last September, the company made SwFr 48m at the net level.

This was stated at the annual general meeting held in Zug last weekend by Gottfried Straub-Gyr, managing chairman. In the first four months of 1978-79, the value of orders received had been higher by some 15 per cent with this development applying in all divisions, he declared.

* * *

SWISS BANK Corporation affiliate Universal Fund, a fund for shares of companies in industrialised countries, is to pay an unchanged gross dividend of SwFr 3 per certificate for 1978 after a slight decline in net profits from SwFr 2.98 to SwFr 2.96 per certificate. Total fund holdings fell from SwFr 71.4m to SwFr 60.7m.

Last year, the fund increased its cash reserves from 9.8 to no less than 36.6 per cent of assets. The share accounted for by straight bonds was almost unaltered at 8.4 (8.2) per cent, but that of shares and convertible bonds fell sharply from 81.5 to 54.4 per cent.

This latter situation was due largely to large-scale divestments of U.S. paper.

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DEPARTMENT-store concern Magazine Zum Globus, of Zurich, has reached an agreement with the London-based MSP Management Systems and Programming for the marketing of the British company's software in Switzerland, Austria and Liechtenstein.

INTL. COMPANIES and FINANCE

Further Monier move into U.S.

By Our Sydney Correspondent

CONCRETE INDUSTRIES (Monier), the concrete and building products group, has continued to expand in the U.S. Substantial agreement has been reached with Amax, of Connecticut, to acquire the wholly-owned subsidiary, Amax Resource Recovery Systems, which operates a major fly ash and light weight aggregate and recovery marketing organisation in the south eastern area of the U.S.

Monier, in which Redland of the UK holds a 48 per cent interest, recently established a fly ash operation in southern Texas. The acquisition of the Amax operations would make Monier one of the largest fly ash distributors in the U.S. Processed fly ash is used in the partial replacement of cement and as a cement modifier in the manufacture of concrete and concrete products. When mixed with cement it allows greater economy, improved workability and can give added strength to concrete.

The managing director of Monier, Mr. J. N. Davenport, said that the directors believed there was scope for increased fly ash penetration in the concrete markets in the U.S. Australian technology would contribute in some fields and in others U.S. technology could help Monier's fly ash operations in Australia. He added that Monier's U.S. operation, established last year, had already received a market response above expectations. Monier also has major roofing tile operations in the U.S.

Sun Hung Kai

Sun Hung Kai Securities is estimated to handle about 25 per cent of all Hong Kong stock broking business, writes our financial staff. The figure was incorrectly shown in our report on February 27 of the company's 1978 results.

CONSUMER CREDIT IN AUSTRALIA

HFC buys into David Jones Finance

BY JAMES FORTH IN SYDNEY

HOUSEHOLD FINANCE Corporation, the largest consumer finance company in the U.S., has entered the Australian market by subscribing for a 49 per cent equity stake in the local finance company, David Jones Finance. HFC will initially subscribe about A$4.9m (U.S.$5.5m) in new equity capital, virtually doubling the capital base and allowing a substantial increase in business.

The Foreign Investment Review Board has approved the investment by HFC and it is proposed to change the name of the Australian company to David Jones Household Finance. The local finance company is at present owned wholly by the major retail group David Jones, which will retain 51 per cent of the capital.

HFC is the oldest and largest consumer finance company in the U.S., specialising in personal cash loans. It operates in the U.S., Canada, Puerto Rico, the UK and Japan with a total of 2.7m customers and U.S. $3.3bn in total finance receivables.

HFC earlier sought to enter the Australian market but was rebuffed at the time because it was considered the level of foreign ownership was high enough.

Two of HCF's major rivals, Avco and Beneficial Finance Corporation have been established in Australia for several years. The level of foreign ownership of the finance industry has latterly increased, but mainly through the acquisition of ailing members such as Barclays' purchase of Citibank's 50 per cent stake in FNCB Waltons (now known as Barclays Credit Corporation) and the total acquisition of IAC by Citicorp.

The negotiations with David Jones took place over the past 12 months. HFC originally proposed acquiring a 50 per cent interest but the FIRB insisted upon a maximum of 49 per cent. It is believed to be the first time the 100-year-old HFC has accepted a minority interest in one of its operations.

David Jones Finance is only a minor investment for HFC but it represents a toehold for the U.S. group in Australia.

The Australian company was established as recently as 1974 and has grown rapidly. Earnings have risen each year and totalled A$414,000 in the year to July 29, 1978. At that date shareholders' funnds were about A$4.3m (U.S.$4.8m), and have since increased to nearly A$5m. Total tangible assets were A$24.5m. Gross receivables at January 1 were A$30.9m, of which 98 per cent was in personal loans.

Boral forecasts sales growth

BY OUR SYDNEY CORRESPONDENT

BORAL, the major building products, quarrying, road surfacing and gas group, lifted its profit 20 per cent from A$10.4m to A$12.5m (U.S.$14m) in the December half-year, and the directors expect that results for the full year will show growth in sales and profits.

The improved result reflects the best rural conditions for about 15 years, which resulted in appreciably higher profits from the Cyclone steel wire division, the gas division and those divisions servicing the home improvement market.

Trading conditions in product divisions concerned with housing reflected lower demand, particularly in Victoria, South Australia and Queensland, where home starts for the six months were below those for the same period last year.

The directors said that increased demand was generally, evident in most areas of the group's operations towards the close of the half year, which had continued in the current trading period. The results for the first two months of the second half were encouraging and with more positive signs of further improvement in the economy, they expected further growth in sales and profits for the full year.

Group sales for the six months rose 32 per cent from A$144m to A$190m (U.S.$213m). During the period the company completed the acquisition of Australian Gypsum Industries and purchased a 55 per cent interest in California Tile, which makes roof tiles near Los Angeles. The latest result equalled earnings of 15.3 cents a share compared with 13.8 cents in the first half of 1977-78. The interim dividend is held at 6.25 cents and was followed last year by a final of the same amount.

Recovery at Dunlop Estates

By Wong Sulong in Kuala Lumpur

DUNLOP ESTATES BERHAD made a strong recovery during the second-half of 1978 to bring the year's profits to 32.7m ringgit (U.S.$14.9m), or 0.7m ringgit more than 1977. In the first-half there was a sharp decline in profits, as a result of drought.

The company's palm oil output was hit severely by the drought, and although production recovered during the second half, profits from palm oil of 15.6m ringgit was still below the 19.02m ringgit of the previous year.

Despite a 7 per cent increase in the harvested area, the crop was 15,454 tonnes, or 9 per cent lower, while the average selling price was marginally lower than in 1976. Against this background, it was the performance of rubber and cocoa estates that pulled up overall profits.

Profit from rubber was 12m ringgit, compared with 11.8m ringgit, mainly because of a [illegible] per cent increase in average selling prices.

The company's cocoa crop increased rapidly during the year and despite a softening in prices profits from cocoa reached 6.5m ringgit, compared with 5.3m ringgit in 1977.

Production upsurge helps Clal Industries

BY L. DANIEL IN TEL AVIV

CLAL INDUSTRIES—a subsidiary of Israel's largest investment company, Clal—report a 140 per cent increase in net profit for 1978 to I£210m ($12.5m).

Most of the income was derived from industrial operations and not from investments. Nesher Cement Works, Urdan Metallurgical Industries, Electra (air conditioning, lifts, solar heating and so on) and Sunfrost (frozen fruits and vegetables) were the most profitable concerns.

* * *

AN INCREASE of 79 per cent is reported by The First International Bank of Israel in its net profits for 1978, to I£96m ($5.5m). Its consolidated balance sheet grew by 88 per cent to I£22.25bn ($1.3bn). Earnings per share on a fully diluted basis rose by 14 per cent to 55p. It is proposed to distribute a cash dividend of 28.5 per cent (30 per cent for 1977) and bonus shares at the rate of 43 per cent (none in 1977).

The bank also intends to make a rights issue at a price of 15 per cent below the current market valuation at the rate of one new share for each 2.5 shares held. Half the rights issue is to be made available immediately, while the other half is to be distributed at a later date.

Meanwhile the Israel General Bank — acquired by Baron Edmond de Rothschild in 1965 —increased its operating profit before tax, by 159 per cent to I£48m ($2.7m) and net profit 2.6 times to I£16.5m. The balance sheet total rose by 86.5 per cent to I£3.03bn ($173m).

Consplant in joint venture

By Our Financial Staff

CONSOLIDATED Plantations (CP), a member of the Sime Darby group, has entered its first joint venture with a Bumiputra company, with the acquisition of 45 per cent of the issued share capital of Syarikat Hadapan Berhad for 1.57m ringgit (U.S.$720,000).

Under the deal, CP will operate an additional 2,800 acres of logged jungle land in Johor, Malaysia.

Haggie improves earnings with export successes

BY JIM JONES IN JOHANNESBURG

HAGGIE—South Africa's largest private steel rope and engineering company, 30 per cent-owned by Bridon (formerly British Ropes) and 27 per cent by Union Corporation—raised its pre-tax profits by 25.3 per cent in 1978, to R15.1m ($17.9m), from R12.1m in 1977.

The company relied almost entirely on export markets for its 1978 turnover and profit improvements. Future results, however, will not be directly comparable, as Haggie is in the process of acquiring a 66 per cent stake in Samuel Osborne from Osborne's UK parent. In the year to December 31, 1978, Haggie increased its turnover 6.9per cent to R97.02m ($115m), from R90.76m in 1977 on an export sales increase to R17.7m from R9.1m.

The improvement in export sales was associated with increasing penetration of the U.S. steel wire market.

The marginal downturn in domestic sales arose in part from the closure of the company's unprofitable Pietermaritzburg plant in late 1977. But the cutting out of the plant helped pre-tax profit to rise.

The throughput of the company's factories in volume was maintained with the additional export orders. Meanwhile domestic demand for high-carbon wire and wire rope continued its downward trend, with a 12 per cent drop in 1978. However, with construction and mining industries picking up, there is a prospect of the sales trends reversing in 1979.

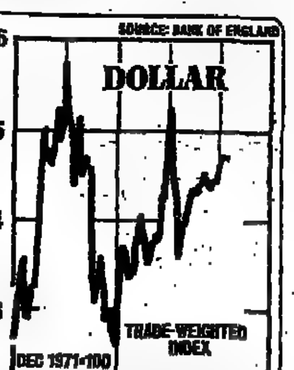
Markets

CURRENCIES, MONEY and GOLD

Pound steady in quiet trading

…e beginning of a new month …d to prompt any real …ement in yesterday's foreign …ange market, and sterling …ained quietly firm in the …nce of any fresh factors to …ence trading. Using Bank …ngland figures, the pound's …e weighted index remained …4.5, unchanged from Friday, …ng stood at 64.5 at noon and … in the morning. Against the …r, sterling opened at $2.0170 … improved during the …ning to touch $2.0245 before …ng at $2.0220-2.0230, a gain …ust 5 points from Friday's …

…e dollar opened slightly …ger against most currencies …wing its earlier trend in the …



… East. However, trading in …don saw the U.S. unit decline …ly for a greater part of the … before improving slightly …rds the close to show very … change on the day. Against … Swiss franc it finished at …r 1.6785 having touched …r 1.6835 during the day, and …pared with SwFr 1.6765 on …ay. Similarly the D-mark …d slightly to DM 1.8590 from …1.8555 while the Japanese … closed unchanged at Y204.60. …Morgan Guaranty figures at … in New York, the dollar's …e weighted average deprecia… was unchanged at 8.2 per … On Bank of England …es its index remained at …

…RANKFURT — Movements …erday were generally …ued, with the dollar showing a modest but steady improvement over most major currencies. At the fixing it was firmer at DM 1.8586 compared with DM 1.8568 on Friday, and there was no intervention at that time by the Bundesbank. News of China's intention to withdraw troops from Vietnam appeared to have little effect, although the fixing level was slightly lower than the morning high of DM 1.8630.

PARIS—Movements in the dollar showed a slightly weaker tendency from earlier, but closing levels still represented a gain over Friday's closing levels. Against the French franc the dollar finished at FFr 4.2890 down from FFr 4.2925 earlier, but still up from the previous close of FFr 4.2835. The franc was steady against major European currencies but sterling closed at FFr 8.6670 from FFr 8.6600 previously.

ZURICH—Confidence in the dollar remained at a reasonably high level yesterday, despite a slight easing in early trading. Against the Swiss franc it eased to SwFr 1.6765 from SwFr 1.6830 and DM 1.8585 against DM 1.8603 in terms of the D-mark.

MILAN—Sterling reached an all-time high at yesterday's fixing at L1,703.25 against the lira, and the latter also showed a weaker tendency against the dollar and Swiss franc. There did not appear to be any intervention by the Bank of Italy and the dollar was quoted at L842.2 against L841.7 on Friday.

AMSTERDAM — The dollar was fixed at Fl 2.0060 yesterday, unchanged from Friday's level.

TOKYO—The dollar continued to improve against the yen yesterday despite efforts by the Bank of Japan, which sold an estimated $75m to support the currency. The U.S. unit finished at Y205.175, its best level since June last year, and compared with Y203.45 on Friday. After opening at Y204.90, it fell briefly to touch Y204.35 before improving on consistent demand and short covering by foreign banks during the afternoon. Spot turnover totalled $630m, with forward trading at $170m and swap dealings accounting for $669m.

THE DOLLAR SPOT AND FORWARD

March 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK	2.0165-2.0245	2.0220-2.0230	0.52-0.42c pm	2.79	1.02-0.92 pm	1.92
Ireland	2.0165-2.0245	2.0220-2.0230	0.52-0.42c pm	2.79	1.02-0.92 pm	1.92
Canada†	—	84.41-84.44	0.5-0.3c dis	0.57	0.5-0.3 dis	0.19
Nethlnd.	—	2.0060-2.0080	0.58-0.48c pm	3.17	1.70-1.60 pm	3.29
Belgium	—	29.39-29.41	9½-8½c pm	3.67	23½-22 pm	3.10
Denmark	—	5.1950-5.1975	par-0.50ore dis	−0.58	1.75-2.25dis	−1.54
W. Ger.	1.8575-1.8640	1.8590-1.8600	1.11-1.01pf pm	6.84	3.05-2.95 pm	6.45
Portugal	—	47.67-47.77	30-40c dis	−8.80	70-135 dis	−8.59
Spain	—	69.12-69.17	20-30c dis	−4.34	55-65 dis	−3.47
Italy	—	842.00-842.50	0.50-1.00lire dis	−1.07	2.25-3.00dis	−1.25
Norway	—	5.0952-5.0962	1.00-0.50ore pm	1.77	1.80-1.30 pm	1.22
France	—	4.2900-4.2925	1.05-0.95c pm	2.80	2.80-2.65 pm	2.54
Sweden	—	4.3720-4.3730	0.95-0.75ore pm	2.33	2.50-2.30 pm	2.20
Japan	—	204.50-204.70	1.35-1.25y pm	7.62	3.65-3.55 pm	7.04
Austria	—	13.62¼-13.63¼	7.50-6.75gro pm	6.27	20-18 pm	5.58
Switz.	1.6750-1.6835	1.6785-1.6795	1.55-1.45c pm	10.72	4.45-4.35 pm	10.48

† U.S. cents per Canadian $.

THE POUND SPOT AND FORWARD

March 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0165-2.0245	2.0220-2.0230	0.52-0.42c pm	2.79	1.02-0.92 pm	1.82
Canada	2.3885-2.3960	2.3940-2.3950	0.50-0.40c pm	2.26	1.05-0.95 pm	1.18
Nethlnd.	4.04½-4.07	4.05½-4.06½	2½-1½c pm	5.54	5½-4½ pm	5.05
Belgium	59.25-59.55	59.40-59.50	30-20c pm	5.05	80-70 pm	5.05
Denmark	10.47-10.52	10.50-10.51	2¾-¾ore pm	2.00	1¾ pm-¼ dis	0.35
W. Ger.	3.74½-3.77½	3.75¾-3.76¾	3½-2½pf pm	9.17	8½-7½ pm	8.37
Portugal	96.00-96.90	96.25-96.75	30-100c dis	−8.08	40-210 dis	−5.18
Spain	139.40-139.85	139.70-139.80	15-65c dis	−3.01	30-140 dis	−2.43
Italy	1,699-1,704	1,702-1,704	3½-1½lire pm	1.76	2½-½ pm	0.35
Norway	10.27-10.31½	10.30-10.31	4¾-2¾ore pm	4.37	8¾-6¾ pm	3.01
France	8.65-8.68½	8.67¾-8.68¾	4½-3½c pm	5.53	10-9 pm	4.38
Sweden	8.81-8.85	8.83½-8.84½	4¼-2¾ore pm	4.41	9½-7½ pm	3.85
Japan	410-420	413½-415½	3.80-3.55y pm	10.78	9.40-9.10 pm	8.93
Austria	27.45-27.60	27.50-27.55	25-15gro pm	8.72	57-47 pm	7.70
Switz.	3.38-3.41	3.39¾-3.40¾	4¾-3¾c pm	12.80	10¾-9¾ pm	12.07

Belgium rate is for convertible francs. Financial franc 60.10-60.20.
Six-month forward dollar 1.52-1.47c pm; 12-month 3.20-3.10c pm.

CURRENCY RATES

March 1	Bank rate %	Special Drawing Rights	European Unit of Account
Sterling	12½	0.636866	0.668511
U.S. $	9½	1.28736	1.35120
Canadian $	11¼	1.52745	1.59914
Austria Sch.	4½	17.5113	18.3763
Belgian F.	6	37.8000	39.7184
Danish K.	8	6.68140	7.01676
D mark	3	2.39037	2.51012
Guilder	6½	2.58244	2.71144
French Fr.	9½	5.51634	5.79393
Lira	10½	1083.64	1137.37
Yen	3½	261.720	277.495
Nrwgn. K.	7	6.55266	6.87421
Spanish Pes.	8	88.9952	93.3946
Swedish Kr.	6½	5.62769	5.89999
Swiss Fr.	1	2.15762	2.26528

CURRENCY MOVEMENTS

Mar. 5	Bank of England Index	Morgan Guaranty changes %
Sterling	64.47	−39.9
U.S. dollar	84.70	−8.2
Canadian dollar	79.55	−18.0
Austrian schilling	147.06	+19.8
Belgian franc	114.58	+15.0
Danish krone	117.99	+6.7
Deutsche Mark	150.51	+42.0
Swiss franc	195.06	+82.3
Guilder	125.13	+21.1
French franc	99.34	−6.3
Lira	54.19	−49.5
Yen	141.14	+39.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Mar. 5	£	$		£ Note Rates
Argentina Peso	2241-2251	1110-1115	Austria	26.75-27.75
Australia Dollar	1.7970-1.8010	0.8885-0.8905	Belgium	59.5-60.5
Brazil Cruzeiro	44.41-45.41	21.95-22.45	Denmark	10.46-10.56
Finland Markka	8.03¼-8.04¼	3.9715-3.9765	France	8.61-8.71
Greek Drachma	75.118-74.900	36.15-37.05	Germany	3.70-3.80
Hong Kong Dollar	9.74-9.75½	4.8150-4.8250	Italy	1,670-1,720
Iran Rial	n.a.	n.a.	Japan	414-424
Kuwait Dinar (KD)	0.548-0.558	0.2741-0.2742	Netherlands	4.00-4.10
Luxembourg Frc.	59.40-59.50	29.25-29.26	Norway	10.24-10.34
Malaysia Dollar	4.44¾-4.46	2.1990-2.205	Portugal	89.5-96.5
New Zealand Dlr.	1.9150-1.9210	0.9470-0.9500	Spain	139-5-144.5
Saudi Arab. Riyal	6.73-6.83	3.3620-3.3630	Switzerland	3.35-3.45
Singapore Dollar	4.38½-4.40	2.1680-2.1750	United States	2.0200-2.0300
Sth. African Rand	1.7000-1.7115	0.8405-0.8460	Yugoslavia	41-43

Rate given for Argentina is free rate.

…CHANGE CROSS RATES

Mar. 5	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
…d Sterling	1.	2.023	3.763	414.5	8.675	3.398	4.060	1703.	2.395	59.45
…Dollar	0.494	1.	1.860	204.9	4.290	1.680	2.007	841.8	1.184	29.39
…chemark	0.266	0.538	1.	110.2	2.306	0.903	1.079	452.5	0.636	15.80
…ese Yen 1,000	2.413	4.879	9.077	1000.	20.93	8.197	9.796	4107.	5.777	143.4
…h Franc 10	1.152	2.331	4.336	477.7	10.	3.915	4.679	1962.	2.759	68.51
… Franc	0.294	0.595	1.107	122.0	2.554	1.	1.195	501.1	0.705	17.50
… Guilder	0.246	0.498	0.927	102.1	2.137	0.837	1.	419.3	0.590	14.64
… Lira 1,000	0.587	1.188	2.210	243.5	5.097	1.996	2.385	1000.	1.406	34.93
…dian Dollar	0.418	0.845	1.571	173.1	3.624	1.419	1.696	711.0	1	24.83
…n Franc 100	1.682	3.402	6.329	697.2	14.60	5.715	6.829	2864.	4.028	100.

…RO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.30-10.40 per cent; three months 10.40-10.50 per cent; six …ths 10.80-10.90 per cent; one year 10.80-10.90 per cent.

Mar. 5	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
…t term	13-13¼	10-10¼	9-10	7⅜-7⅝	[illegible]	3⅞-4	6½-6¾	7-10	—	[illegible]
…y's notice	13-13¼	10-10¼	9-10	7¼-7½	⅛-¼	3⅞-4	6½-6¾	10-11	10⅛-10¼	2¾-3¼
…h	12⅞-13	10¼-10½	10⅛-10⅜	7¼-7½	⅛-¼	3⅞-4	7⅜-7⅝	11¾-12¼	10⅛-10⅜	[illegible]
… months	12⅞-12⅝	10½-10⅝	10⅝-10⅞	7¼-7½	[illegible]	4⅛-4¼	8-8¼	12-13	10⅝-10¾	3⅜-3⅝
…onths	11⅝-11⅞	10⅝-11	10⅞-11⅛	7¼-7½	[illegible]	4⅛-4¼	8¾-9	12½-13½	11⅛-11⅜	[illegible]
…year	11⅛-11⅜	10⅞-11⅛	10⅞-11⅛	7¼-7½	⅞-1	4⅜-4¾	9-9¼	13-14	11-11⅛	[illegible]

Long-term Eurodollar deposits: two years 10⅝-10⅞ per cent; three years 10¾-10⅞ per cent; four years 10⅞-10⅞ per cent; five years 10⅞-10⅞ per cent nominal …sing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates … Singapore.

…TERNATIONAL MONEY MARKET

Paris rates easier

…terest rates tended to ease …aris yesterday, after moving steadily in the latter part of … week, prompted by moves …he French authorities. Call …ey remained at Friday's level … per cent, but period rates …ined. The call rate was cut … per cent early last week, then firmed as the Bank of …nce gradually pushed up the …s at which it discounts …asury bills.

…ne-month funds fell to 6⅞-… per cent from 6⅞-7 per cent; …elmonth was quoted at 7⅛-… per cent, compared with 7¼-… per cent; six-month was …hanged at 7½-7¾ per cent; and …onth eased to 7⅞-8⅛ per … from 8-8¼ per cent.

…RANKFURT—Interest rates …wed small mixed changes, with call money at 4.00-4.10 per cent, compared with 4.05-4.10 per cent previously; one-month 4.10-4.15 per cent, compared with 4.10-4.20 per cent; three-month unchanged at 4.25-4.30 per cent; six-month 4.40-4.60 per cent, against 4.40-4.50 per cent; and 12-month 4.80-5.00 per cent, compared with 4.85-4.95 per cent.

BRUSSELS—Deposit rates for the Belgian franc (commercial) were slightly easier in places. One-month was 7½-7¾ per cent, compared with 7⅝-7⅞ per cent on Friday; three-month 7¾-8 per cent, compared with 7⅞-8 per cent; six-month 8¼-8½ per cent, against 8¼-8½ per cent; and 12-month unchanged at 8¼-8½ per cent.

AMSTERDAM — Interbank money market rates were unchanged at 7¾-8 per cent for call, one-month, and three-month money. Six-month rose to 7⅞-7⅞ per cent from 7⅝-7¾ per cent.

SINGAPORE — Overseas-Chinese Banking Corporation, and Overseas Union Bank—two of the big four Singapore banks —have followed the United Overseas Bank Group, and the Development Bank of Singapore, in raising their prime rates to 7¾ per cent from 7½ per cent. Several other Singapore-based banks raised their prime rates, to up to 8¾ per cent as a continued reflection of loan demand, which has outstripped the growth in deposits.

HONG KONG—The money market was tight in the morning and easy in the afternoon, with call money at 11¼ per cent and overnight at 11 per cent.

GOLD

Sharp fall

Gold lost $8¾ an ounce in the London bullion market yesterday to close at $237¾-238¾. In active trading, the metal opened at $243½-244¼ and saw some selling before the morning fixing of $242.80. News of China's intention to withdraw troops from Vietnam, pushed it down to $241-241¾ before lunch, having prompted a certain amount of speculative selling. This trend continued through the afternoon fixing of $238.15, with a low for the day of $236½-237½ just prior to the fixing.

In Paris the 12½ kilo bar was fixed at FFr 33,800 per kilo ($245.17 per ounce) yesterday morning compared with FFr 34,580 ($251.07) on Friday morning.

	Mar. 5	Mar. 2
Gold Bullion (fine ounce)		
Close	$237¾-238¾	$246¾-247½
Opening	$243½-244¼	$248¼-249
Morning fixing	$242.80 (£120.118)	*$248.70 (£123.009)
Afternoon fixing	$238.15 (£117.721)	$248.00 (£122.621)
Gold Coins, domestically		
Krugerrand	$256¼-260¼ (£126½-128½)	$269-273 (£133-135)
New Sovereigns	$68¼-70¼ (£33¾-34¾)	$69¼-71¼ (£34¼-35¼)
Old Sovereigns	$74-76 (£36½-37½)	$75-77 (£37-38)
Gold Coins, internationally		
Krugerrand	$244¾-246¾ (£121-122)	$254-256 (£125½-126½)
New Sovereigns	$62½-64½ (£31-32)	$64½-66½ (£31¾-32¾)
Old Sovereigns	$74-76 ($36½-37½)	$75-77 (£37-38)
$20 Eagles	$312-317	$315-320
$10 Eagles	$172-177	$173-178
$5 Eagles	$117-122	$119-124

* Rate for January 23 should have been $230.80, and February 23 $252 10.

…K MONEY MARKET

Exceptional assistance

…ank of England Minimum Lending Rate 13 per cent (since March 1, 1979)

…nterest rates continued to …e in the London money market …terday, following news that … Bank of England had can…ed for the time being the …all of £450m special deposits, …ounting to 1 per cent of banks' …gible liabilities due on …rch 9, and also on the cut to … per cent from 13½ per cent in …aring bank base lending rates. …Day-to-day credit was in short …ply, and the authorities gave exceptionally large amount of assistance by buying a small amount of Treasury bills from the discount houses, and a small number of local authority bills. The Bank of England also bought an extremely large amount of eligible bank bills, for resale to the market at fixed future dates, and lent a large amount, overnight at Minimum Lending Rate of 13 per cent, to three or four houses.

Banks brought forward moderate surplus balances, there was a small excess of Government disbursements over revenue payments to the Exchequer, and a slight fall in the note circulation. On the other hand the market was faced with repayment of the exceptionally large amount borrowed on Friday.

Discount houses paid up to 13 per cent for secured call loans, with closing balances taken at 12-12½ per cent. In the interbank market overnight loans opened at 13-13½ per cent, touched 13½-13½ per cent, but traded around 13-13½ per cent for most of the day. Rates eased to 12½-12¾ per cent in the afternoon, and closed at 13-13½ per cent.

Rates in the table below are nominal in some cases.

…NDON MONEY RATES

Mar. 5 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
…rnight	—	12½-13½	—	—	—	—	12-13	—	—	—
…ays notice	—	—	13-13⅛	—	—	—	—	—	—	—
…ays or…	—	—	—	—	—	—	—	—	—	—
…ays notice	—	13-13⅛	13⅛-13⅜	—	13¼	13¼-13½	12¾-12⅞	—	—	—
… month	13-12⅞	12⅞-13⅛	13-13⅛	13-13⅛	13¼	13¼-13½	12⅝	11½	13	13½
… months	12⅞-12⅞	12⅝-12¾	—	12⅝-13	13	—	12¼	11½-11⅞	12½	13
…ee months	12¼-12⅞	12⅝-12½	12⅝-12½	12⅛-12½	12¾	13	12	11¾-11½	11⅞	12½
… months	11⅞-11½	11⅞-11⅞	11¾-12⅛	11⅝-11¾	12⅜	—	—	—	11-11⅛	12¼
…e months	11½-11⅝	11⅞-11⅞	—	11¾	12⅛	—	—	—	—	—
… year	11½-11⅞	11¾-11⅞	11¾-11⅞	11¾	12⅛	—	—	—	—	—
… years	—	—	12	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority …rtgage rates nominally three years 12½-12¾ per cent; four years 12¾-12⅞ per cent; five years 12½-12¾ per cent. …ank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅞-11⅞ per …t; four-month trade bills 12⅞ per cent.

Approximate selling rates for one-month Treasury bills 11⅞-11⅞ per cent; two-month 11⅞-11⅞ per cent; three …nths 11¾-11⅞ per cent. Approximate selling rate for one-month bank bills 12⅞ per cent; two-month 12⅞ per cent; … three-month 11¾-11⅞ per cent; one-month trade bills 13⅞ per cent; two-month 12⅞ per cent; and three-month … per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13½ per cent from March 1, 1979. …aring Bank Deposit Rates for small sums at seven days notice 10.5 per cent. Clearing Bank Rates for lending … per cent. Treasury Bills: Average tender rates of discount 11.9709 per cent.

MONEY RATES

NEW YORK

Prime Rate	11.5-11.75
Fed Funds	10.125
Treasury Bills (13-week)	9.42
Treasury Bills (26-week)	9.47

GERMANY

Discount Rate	3
Overnight Rate	4.05
One month	4.125
Three months	4.275
Six months	4.50

FRANCE

Discount Rate	9.5
Overnight Rate	6.625
One month	6.875
Three months	7.25
Six months	7.5625

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.625
Bills Discount Rate	4.5625

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on March 5, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rate; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE	LOCAL UNIT	VALUE OF £ STERLING
Afghanistan	Afghani	82.00
Albania	Luk	10.0987
Algeria	Dinar	7.7430
Andorra	French Franc	8.6775
	Spanish Peseta	159.75
Angola	Kwana	n.a.
Antigua (S)	E. Caribbean $	5.4656
Argentina	Ar. Peso Free Rate	2241
Australia (S)	Australian $	1.7995
Austria	Schilling	27.525
Azores	Portug. Escudo	96.50
Bahamas (S)	Ba. Dollar	2.0225
Bangladesh (S)	Taka	30.99 (sg)
Bahrain (S)	Dinar	0.774
Balearic Isles	Spa. Peseta	159.75
Barbados (S)	Babados $††	4.045
Belgium	B. Franc	(cm) 59.45 (fn) 60.15
Belize	B $	4.045
Benin	C.F.A. Franc	433⅞
Bermuda (S)	Bda $	2.0225
Bhutan	Indian Rupee	16.427 (sg)
Bolivia	Bolivian Peso	40.45
Botswana (S)	Pula	1.6749
Brazil	Cruzeiro ‡‡	44.91
Brit. Virgin Isles (S)	U.S. $	2.0255
Brunei (S)	Brunei $	4.3925
Bulgaria	Lev	1.7400
Burma	Kyat	13.6056
Burundi	Burundi Franc	180.69
Cameroon Republic	C.F.A. Franc	433⅞
Canada	Canadian $	2.3945
Canary Islands	Spanish Peseta	159.75
Cape Verde Isle	Cape V. Escudo	73.8415
Cayman Islands (S)	Cay. Is. $	1.6854
Cent. African Rep.	C.F.A. Franc	433⅞
Chad	C.F.A. Franc	433⅞
Chile	C. Peso	(Bk) 70.74
China	Ranminbi Yuan	3.1609
Columbia	C. Peso	(F) [illegible]
Comoro Islands	C.F.A. Franc	433⅞
Congo (Brazzaville)	C.F.A. Franc	433⅞
Costa Rica	Colon	17.3935
Cuba	Cuban Peso	1.4478
Cyprus (S)	Cyprus £	0.7210
Czechoslovakia	Koruna	(com) 10.60 n/c 21.10 (T) 17.85
Denmark	Danish Krone	10.505
Djibouti	Fr.	325.0
Dominica (S)	E. Caribbean $	5.4656
Dominican Repub.	Dominican Peso	2.0225
Ecuador	Sucre	(O) 50.40 (F) 55.06
Egypt	Egyptian £	(T) 1.4025
Equatorial Guinea	Peseta	159.75
Ethiopia	Ethiopian Birr	(P) 4.1914
Falkland Islands (S)	Falkland Is. £	1.0
Faro Islands	Danish Krone	10.505
Fiji Islands	Fiji $	1.6875
Finland	Markka	8.0375
France	French Franc	8.6775
French C'tyin Af*	C.F.A. Franc	433⅞
French Guiana	Local Franc	8.6775
French Pacific Is.	C.F.P. Franc	157.78
Gabon	C.F.A. Franc	433⅞
Gambia (S)	Dalasi	3.9995
Germany (East)	Ostmark	3.7625
Germany (West)	Deutsche Mark	3.7625
Ghana (S)	Cedi	5.49 (sg)
Gibraltar (K)	Gibraltar £	1.0
Gilbert Islands	Australian $	1.7995
Greece	Drachma	74.009
Greenland	Danish Kroner	10.505
Grenada (S)	E. Caribbean $	5.4658
Guadaloupe	Local Franc	8.6775
Guam	U.S. $	2.0225
Guatemala	Quetzal	2.0225
Guinea Republic	Sily	38.725
Guinea Bissau		690.613
Guyana (S)	Guyanese $	5.1574
Haiti	Gourd	10.113
Honduras Repub.	Lempira	4.06
Hong Kong (S)	H.K. $	9.7475
Hungary	Forint	(com) 72.66 (T)(nc) 41.52
Iceland (S)	I. Krona	655.8
India (S)	Ind. Rupee	16.427
Indonesia	Rupiah	1264.06
Iran	Rial	n.a.
Iraq	Iraq Dinar	0.5971
Irish Republic (k)	Irish £	1.00
Israel	Israel £	38.9158
Italy	Lira	1702.5
Ivory Coast	C.F.A. Franc	433⅞
Jamaica (S)	Jamaica Dollar	3.4989
Japan	Yen	414.5
Jordan (S)	Jordan Dinar	0.593 (sg)
Kampuchea	Riel	2427.0
Kenya (S)	Kenya Shilling	15.150
Korea (Nth)	Won	1.77(!)
Korea (Sth)	Won	976.71
Kuwait (Sth)	Kuwait Dina	0.553
Laos	Kip Pot Po	809
Lebanon	Lebanese £	6.381
Lesotho	S. African Rand	1.7056
Liberia	Liberian $	2.0255
Libya	Libyan Dinar	0.5987
Liechtenstein	Swiss Franc	3.3975
Luxembourg	Lux Franc	59.45
Macao	Pataca	10.0923
Madeira	Portug'se Escudo	96.50
Malagasy Republic	MG Franc	433⅞
Malawi (S)	Kwacha	1.6530
Malaysia (S)	Ringgit	4.4537
Maldive Islands (S)	Mal Rupee	7.948
Mali Republic	Mali Franc	867.75
Malta (S)	Maltese £	0.7330
Martinique	Local Franc	8.6775
Mauritania	Ouguiya ‡	86.586
Mauritius (S)	M. Rupee	12.107
Mexico	Mexican Peso	46.06
Miquelon	C.F.A. Franc	433⅞
Monaco	French Franc	8.6775
Mongolia	Tugrik	(O) 5.867(!)
Montserrat	E. Caribbean $	5.4658
Morocco	Dirham	7.85 (sg)
Mozambique	Moz. Escudo	65.096
Nauru	Australian Dollar	1.7995
Nepal	Nepalese Rupee	24.27
Netherlands	Guilder	4.06
Netherland Antilles	Antillian Guilder	3.6203
New Hebrides	Franc.	140.24
	Aust. Dollar	1.7995
New Zealand (S)	N. Z. Dollar	1.9180
Nicaragua	Cordoba	14.21
Niger Republic	C. F. A. Franc	433⅞
Nigeria (S)	Naira	1.2573 (sg)
Norway	Norway Krone	10.505
Oman Sul'ate of (S)	Rial Omani	0.687
Pakistan	Pakistan Rupee	19.92
Panama	Balboa	2.0225
Papua N. Guinea (S)	Kina	1.4260
Paraguay	Guarani	252.40
Peoples D. Repub. of Yemen (S)	S. Yemen Dinar	(A) 0.6907
Peru	Sol	exc(A) 416.23
Philippines	Philippine Peso	14.9199
Pitcairn Islands (S)	£ Sterling	—
	New Zealand $	1.9180
Poland	Zloty	(Cm) 62.82 (T) 62.82
Portugal	Portugu'se Escudo	96.50
Port Timor	Timor Escudo	96.50
Principe Islands	Portugu'se Escudo	96.50
Puerto Rico	U.S. $	2.0225
Qatar (S)	Qatar Ryal	7.74
Reunion Ile de la	French Franc	8.6775
Rhodesia	Rhodesian $	1.4026
Romania	Leu	(Cm) 9.07 (n/c) T 24.35
Rwanda	Rwanda Franc	185.83
St. Christopher (S)	E. Caribbean $	5.4658
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	5.4658
St. Pierre	C.F.A Franc	433⅞
St. Vincent (S)	E. Caribbean $	5.4658
Salvador El	Colon	5.06
Samoa American	U.S. $	2.0225
San Marino	Italian Lire	1,702.5
Sao Tome	Portugese Escudo	96.50
Saudi Arabia	Ryal	6.78
Senegal	C.F.A. Franc	433⅞
Seychelles	S. Rupee	13.33
Sierra Leone (S)	Leone	2.1467
Singapore (S)	Singapore $	4.3925
Solomon Islands (S)	Solomon Is. $	1.7921
Somali Republic	Somali Shilling	(A) 12.7316
South Africa (S)	Rand	1.7056
South West African Territories (S)	S. A. Rand	1.7056
Spain	Peseta	159.75
Spanish ports in North Africa	Peseta	159.75
Sri Lanka (S)	S. L. Rupee	31.1236
Sudan Republic	Sudan £	(A) 0.8090
Surinam	S. Guilder	3.6203
Swaziland (S)	Lilangeni	1.7056
Sweden	S. Krona	8.84
Switzerland	Swiss Franc	3.3975
Syria	Syria £	(A) 7.938
Taiwan	New Taiwan	(P) 72.81
Tanzania (S)	Tan. Shilling	16.70
Thailand	Baht	40.805 (sg)
Togo Republic	C.F.A. Franc	433⅞
Tonga Islands (S)	Pa'anga	1.7921
Trinidad (S)	Trinidad & Tob' $	4.8540
Tunisia	Tunisian Dinar	0.790 (sg)
Turkey	Turkish Lira	50.10
Turks & Caicos	U.S. $	2.0225
Tuvalu	Australian $	1.9795
Uganda (S)	Uganda Shilling	14.78
United States	U.S. Dollar	2.0225
Uruguay	Uruguay Peso	(cm) 14.84 (fn) 14.82
Utd. Arab Emirates	U.A.E. Dirham	7.74
U.S.S.R.	Rouble	1.33
Upper Volta	C.F.A. Franc	433⅞
Vatican	Italian Lire	1,702.5
Venezuela	Bolivar	8.68
Vietnam	Dong	(O) 4409 (T) 4.070(!)
Virgin Islands U.S.	U.S. Dollar	2.0225
Western Samoa (S)	Samoan Tala	1.4568
Yemen	Ryal	9.12 (sg)
Yugoslavia	New Y Dinar	37.5408
Zaire Republic	Zaire	3.14147
Zambia	Kacha	1.575

* That part of the French community in Africa formerly of French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 84 945. ‖ Based on cross rates against Russian rouble. ** Rate is the Transfer market (controlled). †† Rate is now based on 2 Barbados £ to the dollar. ‡‡ Now one official rate. (U) Unified Rate. Applicable on all transactions, except countries having a bilateral agreement with Egypt, and are not members of IMF.

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BUSINESSMAN 43
With Substantial Resources

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The directors and shareholders of this family company are prepared to dispose of their business if an acceptable offer is made.
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Privately owned small but highly profitable company, London based. T/O approx. £425,000. Reason for sale — retirement.
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COMPANY IN
PHOTOGRAPHIC FIELD
FOR SALE

currently trading in the UK. Agreed Tax Losses £100,000+
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PRIVATE COMPANY MANUFACTURING FURNITURE

on ten acre freehold site in southern England with substantial factory area and tax losses of approximately £200,000.
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DIY COMPANY

National DIY product marketing company with sales in excess of £2 million to retailers throughout UK. Policy change the only reason for disposal.
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هكذا من الأصل

Early Dow 10.5 rise on brighter news

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—81¼% (85½%)
Effective $2.0225 41¼% (44¼%)

BRIGHTER international news ...re brought investors on ... Street off the sidelines ...rday morning, and the stock ...et scored a solid advance ... a wide front in moderate trading.

... Dow Jones Industrial ...age had climbed 10.48 to ...3 by 1 pm, while the NYSE ...

...sing prices and market ...orts were not available for this edition.

...ommon Index was 52 cents ...ger at $54.89 and rises out... losses by a three-to-one ...in. Turnover came to 17.37m ...s. compared with last Fri... 1 pm figure of 16.48m.

...ong the bullish develop..., China said it was begin... to withdraw troops from ...am and White House Press ...tary Jody Powell stated that ... has responded positively ...w suggestions by President ...r for resolving the impasse ...d-East talks.

...o encouraging was the re...tion of oil exports from Iran, ... had ceased during the up... there. However, Iranian exports arae expected to reach only half their former levels, and several OPEC members have placed surcharges on crude oil prices.

The White House said Carter would go to Egypt and Israel this week to discuss the next moves in Mid-East peace talks.

Most Industry groups advanced, but Golds retreated with the Bullion price. Strong gains were recorded in Drug, Chemical, Computer, Aircraft, Metals and Gaming shares.

American Motors topped the actives list and hardened ⅛ to $6⅞.

Polaroid, in second place, climbed 2⅜ to $40⅜ ex-dividend. It was hard hit last week after reporting disappointing fourth-quarter profits.

IBM advanced 4¼ to $305, **Teledyne** 4½ to $122¾, **Du Pont** $2 to $132, **Superior Oil** $5 to $337, **Fairchild Camera** 2½ to 33¾, **Eastman Kodak** 1½ to $67¼ and **Schlumberger** 1⅜ to $98¾.

Active UV Industries advanced $1 to $32½. It has proposed to sell most of its assets and distribute proceeds to shareholders if they reject a proposal to dissolve the company.

Georgia Pacific, unchanged at $27¾, has completed its offer to buy 4.5m of its shares at $31 each.

THE AMERICAN SE Market Value Index moved ahead 1.24 to 164.21 at 1 pm in moderate activity. Volume 1.71m shares (1.41m).

Volume leader **Resorts International "A"** gained 1⅞ to 48½, while **Golden Nugget** rose $1 to $18⅞, **Amdahl** $2⅜ to $39½ and **Wynn's International** $1 to $27.

National CSS picked up ⅜ to $29½. The company has announced a stock split and raised the dividend.

Chicago Rivet fell 4½ to $20¾. Mite has dropped its plan to acquire Chicago Rivet. **Mite** eased ⅛ to $13⅜.

Canada

Shares on Canadian markets also strengthened in fairly active early trading yesterday, taking their cue from the buoyant New York trend.

The Toronto Composite Index advanced 9.3 to 1,395.3 at mid-day, while Metals and Minerals climbed 8.5 to 1,257.2 on index. Oils and Gas gained 4.2 to 2,008.6, Utilities 0.78 to 203.57 and Papers 0.75 to 162.23, but Golds in marked contrast, fell 29.7 to 1,532.5.

The Financial Services Index was up about 18¾ points, as Bank of Montreal rose ⅛ to C$24½, Royal Bank ⅛ to C$40½ and Canadian Imperial Bank ¼ to C$27.

Inco, which has cancelled plans for a four-week summer shutdown in Sudbury, added ⅛ at C$23½.

Trading in **La Verendrye Management** and **Tele-Capital** was halted from the opening for news that La Verendrye plans to acquire control of Tele-Capital. The companies' shares were last traded at C$13½ and C$12⅜ respectively.

Germany

Most shares advanced in an active business, with Motors, Machine Manufacturers and Banks providing the best performing sectors. The Commerzbank Index rose 7.1 more to 802.8.

Dealers said the broad-based upswing reflected an improvement in news from the world's trouble spots, good company announcements and news that West German Economics Minister Lambsdorff has conditionally approved the DM 800m **VEBA/BP** deal which was blocked by the Federal Cartel Office.

International factors cited were reports that China was pulling its troops out of Vietnam and news from Iran that the new Government intended to honour all of the country's foreign debts.

VEBA improved DM 2.50 to DM 143.80, while among Motors, **BMW** climbed DM 4.20 and **Volkswagen** DM 3.30.

In the Machine Manufacturers sector, **KHD** moved ahead DM 4.20 to DM 208.00, following a dividend increase. **Mannesmann** rose DM 2.90 to DM 164.00, aided by an optimistic preliminary report about the company's subsidiary, Bannesmann Demag AG. **Babcock** rose DM 5.50.

In Electricals, **BBC** added DM 2 after news of parent company net profit of SwFr 41.7m in 1978, up from SwFr 38.8m in the previous year.

Deutsche Bank advanced DM 4.20, while **Karstadt**, in Stores, gained DM 3.20.

On the Domestic Bond market, Public Authority issues gained up to 40 pfennigs more, while the Regulating Authorities sold a nominal DM 35.6m of paper, compared with sales of DM 83.2m last Friday. Mark Foreign Loans also firmer.

Tokyo

Activity was at a low ebb yesterday, and stocks failed to maintain a firmer start and closed mixed on balance.

The Nikkei-Dow Jones Average ended just 2.97 up on the day at 6,014.23 after volume of 170m shares, against last Friday's 260m and Saturday's half-day session turnover of 140m.

Many shares rose afresh initially following the dollar's rise and Iran's resumption of oil exports, especially export-orientated issues, Chemicals, Pharmaceuticals and Foods, but gains often pared after buying spent its force.

Sony gained Y10 at Y1,670, **Pioneer Electronic** Y30 at Y2,250, **Nippon Victor** Y50 at Y1,180 and **Toyota Motor** Y5 at Y845, but **TDK Electronic** lost Y40 to Y1,780. **Alps Electric** Y8 to Y872 and **Nissan Motors** Y5 to Y670.

Elsewhere, **Casio** moved ahead Y23 to Y841 and **Sekisui Prefab** Y15 to Y775.

Paris

The strike preventing quotations at the Paris Bourse will continue at least until 15.00 local time today, the broking staff union has stated, but added that preliminary contacts have been made with management over a resumption of wage negotiations.

The strike has stopped quotations at the Bourse since last Tuesday. The union voted on March 1 for a strike programme lasting until March 8, but said this could be shortened if contacts with management were established.

Johannesburg

Gold shares were marked down sharply in line with Bullion indications, and dealers said a sharp rise in the Financial Rand to 72 U.S. cents increased the selling pressure. **Randfontein** fell R3.25 to R58.00 and **Western Holdings** R1.45 to R38.80.

Diamond leader **De Beers** receded 40 cents to R8.90 awaiting final results, due today. **Anamint** lost R200 to R83.00.

Other Metals and Minerals also declined. Platinums had **Implats** down 25 cents at R4.10 and **Lydplat** off 12 cents at R1.75.

Industrials were easier in fairly quiet trading.

Hong Kong

There was a further improvement in thin, cautious trading as many operators awaited developments in the China-Vietnam conflict and further indications of local interest rate trends. The Hang Seng index closed 7.08 higher at 529.08.

Among Properties, **Hong Kong Wharf** were heavily bought, advancing HK$2.25 to HK33.25, while **Hong Kong Land** put on 10 cents to HK$7.60.

Hong Kong Bank added 10 cents at HK$19.50, **Hong Kong Electric** 20 cents at HK$5.60 and **Jardine Matheson** 10 cents at HK$11.50.

Outside the leaders, **Green Island Cement** rose HK$1.25 to HK$32.50, **Hong Kong Gas** 50 cents to HK$20.50 and **Shaw Brothers** 15 cents to HK$4.05.

Australia

Markets finished on a mixed note following a rather quiet trading session.

There was again selective buying interest for Resources stocks.

Banks were generally steady, but Financials and Property Developers mainly lost ground.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
♦ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pts 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
Φ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

NEW YORK

Stock	Mar. 2	Mar. 1
Woolworth	20⅛	19¾
Wyly	4⅛	4¼
Xerox	55⅞	55⅝
Zapata	18¼	18
Zenith Radio	13⅝	13⅝
U.S. Treas.4½% '80	†94⅛	†94⅛
USTreas4¼%75/85	†78⅝	†78⅝
U.S. 90-day bills	9.37%	9.41%

† Bid. ‡ Asked. § Traded. ‖ New stock.

Indices

NEW YORK —DOW JONES

	Mar. 2	Mar. 1	Feb. 28	Feb. 27	Feb. 26	Feb. 23	1978-79 High	1978-79 Low	Since Compil'tn High	Since Compil'tn Low
♦ Industr'ls	815.75	815.84	808.82	807.00	821.12	825.28	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.43	84.42	84.50	84.57	84.62	84.88	90.96 (4/1/78)	84.03 (15/1/79)	—	—
Transport.	208.56	207.98	205.83	205.78	210.85	211.18	261.49 (8/9)	199.31 (9/1/78)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	103.11	103.11	102.30	102.23	103.45	104.16	110.98 (3/1)	97.73 (20/12)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	26,190	25,830	25,170	31,470	22,620	22,840	—	—	—	—

♦ Day's high 818.17 low 807.26

Ind. div. yield %	Feb. 23	Feb. 16	Feb. 9	Year ago (approx)
	5.95	5.91	5.95	6.14

STANDARD AND POORS

	Mar. 2	Mar. 1	Feb. 28	Feb. 27	Feb. 26	Feb. 23	1978-79 High	1978-79 Low	SinceC'mpil't'n High	SinceC'mpil't'n Low
‡Indust'ls	107.94	107.55	107.28	107.08	108.87	108.98	118.71 (12/9)	95.52 (6/3)	134.64 (11/1/73)	3.53 (30/6/32)
§Composite	96.97	96.90	96.28	96.13	97.67	97.78	106.99 (12/9)	86.90 (6/3)	125.85 (11/1/63)	4.40 (1/6/32)

	Feb. 28	Feb. 21	Feb. 14	Year ago (approx).
Ind. div. yield %	5.28	5.07	5.07	5.57
Ind. P/E Ratio	8.73	9.01	8.98	8.40
Long Gov. Bond Yield	9.06	9.01	8.98	8.23

N.Y.S.E. ALL COMMON

Mar. 2	Mar. 1	Feb. 28	Feb. 27	1978-79 High	1978-79 Low
54.37	54.30	53.93	53.88	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Mar. 2	Mar. 1	Feb. 28
Issues Traded	1,843	1,822	1,833
Rises	793	929	645
Falls	605	456	750
Unchanged	445	437	438
New Highs	—	12	9
New Lows	—	18	39

MONTREAL

	Mar. 2	Mar. 1	Feb. 28	Feb. 27	1978-79 High	1978-79 Low
Industrial	234.71	233.54	235.32	235.82	236.45 (21/2/79)	152.90 (16/3)
Combined	236.36	235.88	236.11	236.56	238.38 (21/2/79)	170.82 (30/1)
TORONTO Composite	1389.0	1387.6	1385.4	1395.8	1399.1 (21/2/79)	999.2 (30/1)
JOHANNESBURG Gold	269.2	275.6	278.4	281.1	290.7 (7/2/79)	188.0 (20/4)
JOHANNESBURG Industrial	302.0	302.1	305.3	308.3	309.9 (15/2/79)	194.9 (13/3)

	Mar. 5	Previous	1978-9 High	1978-9 Low
Australia (¶)	568.97	560.14	590.14 (2/3/79)	411.16 (1/3)
Belgium (‖)	105.46	104.80	105.82 (23/2/79)	90.43 (23/6)
Denmark (**)	93.26	92.98	96.95 (14/5)	86.08 (30/10)
France (††)	(u)	(u)	83.0 (4/10)	47.6 (3/2)
Germany(‡‡)	802.8	795.7	863.8 (19/10)	759.4 (17/6)
Holland (§§)	79.8	79.5	93.1 (11/9)	76.0 (4/4)
Hong Kong (¶¶)	529.08	522.00	707.70 (4/9)	383.4 (13/4)
Italy (‖‖)	77.19	76.25	82.25 (25/9)	56.45 (10/1)
Japan (a)	445.18	446.11	462.97 (31/1/79)	364.04 (4/1)
Singapore(b)	355.72	360.06	414.50 (6/9)	252.0 (9/1)

	Mar. 5	Previous	1978-9 High	1978-9 Low
Spain (d)	(u)	103.31	103.31 (2/3/79)	93.03 (12/1/79)
Sweden (c)	377.02	370.11	409.00 (4/8)	325.74 (3/1)
Switzerld(f)	(u)	313.0	325.7 (14/2)	261.6 (26/9)

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 30/12/77. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Southern	583,700	14⅛	+⅛
Howard Johnson	465,200	12⅝	+⅛
Amer. Motors	438,200	6⅞	+⅛
Rorer Group	378,900	17½	−⅞
Comw. Edison	297,600	26⅛	
K Mart	269,200	23⅞	+⅛
Polaroid	238,800	38⅛	−1⅞
UV Industries	227,500	31½	−1
Trans America	217,800	18⅝	
Joy Mfg.	195,400	30⅞	+⅛

STOCKHOLM

Mar. 5	Price Kronor	+ or −	Div. Kr.	Yld. %
AGA AB (Kr. 40)	195	+9	6	3.1
Alfa Laval(Kr.50)	132	+2	6	4.5
ASEA(Kr.50)	74.5	.....	5	6.7
Atlas Cop.Kr25	105	+1	7	6.7
Billerud	65	+2	—	—
Bofors	150	+6	y4	5.1
Cardo	184	−3	5.75	3.1
Cellulosa	249	+6	10	4.0
Elec'lux'B'(Kr50	108	−3	5.25	4.9
Ericsson B(Kr50	137	+2	5	4.6
Esselte (Free)	306	−2	8	2.6
Fagersta	120	−1	4	3.3
Granges (Free)	59	+4	—	—
Handelsbanken	357	+1	18.5	5.2
Marabou	152	.....	8	5.3
Mo Och Domsjo	82	+2	—	—
Sandvik 'B'Kr100	244	+5	5.75	2.4
S.K.F. 'B' Kr.50	68	+2	4.5	[illegible]
Skand Enskilda	148	−1	9	6.1
Tandstik B(Kr50	74.5	+1	5	6.8
Uddeholm	65	+0.5	y—	—
Volvo (Kr 50)	88.5	+6.5	6	6.8

OSLO

Mar. 5	Price Kroner	+ or −	Div. %	Yld. %
Bergen Bank	109	.....	9	[illegible]
Borregaard	74	+1	—	—
Creditbank	121	.....	11	[illegible]
Kosmos	342.5	+2.5	20	5.9
Kreditkassen	118	.....	11	[illegible]
Norsk HydroKr5	252	−1	12	3.8
Storebrand	102.5	.....	7	6.9

JOHANNESBURG

MINES

March 5	Rand	+ or −
Anglo Amer. Corpn.	7.15	−0.15
Charter Consolidated	‡4.30	−0.15
East Driefontein	13.75	−1.25
Elsburg	1.80	−0.13
Harmony	7.00	−0.50
Kinross	6.35	−0.30
Kloof	12.30	−0.70
Rustenburg Platinum	2.85	−0.15
St. Helena	18.50	−0.10
Southvaal	10.70	−0.50
Gold Fields SA	31.75	−1.75
Union Corporation	6.80	−0.20
De Beers Deferred	8.90	−0.40
Blyvooruitzicht	6.30	−0.30
East Rand Pty.	‡5.60	−0.25
Free State Geduld	31.00	−1.50
President Brand	19.00	−0.40
President Steyn	13.35	−0.90
Stilfontein	7.20	−0.60
West Driefontein	43.00	−1.40
Western Holdings	38.80	−1.45
Western Deep	15.50	−0.50

INDUSTRIALS

	Rand	+ or −
AECI	4.10	
Anglo-Amer. Industrial	12.65	−0.15
Barlow Rand	5.30	−0.10
CNA Investments	2.00	
Currie Finance	†0.92	+0.0[illegible]
De Beers Industrial	15.15	−0.10
Edgars Consold. Inv.	3.50	−0.10
Edgars Stores	†40.00	
Ever Ready SA	‡2.80	+0.0[illegible]
Fed. Volksbeleggings	2.08	+0.0[illegible]
Greatermans Stores	3.60	−0.10
Huletts	2.40	−0.10
LTA	2.35	−0.10
McCarthy Rodway	0.75	
NedBank	3.15	
OK Bazaars	†7.60	−0.05
Premier Milling	†5.90	−0.05
Pretoria Cement	4.30	
Protea Holdings	1.55	
Rand Mines Properties	2.50	
Rembrandt Group	3.70	−0.05
Retco	0.38	+0.01
Sage Holdings	1.60	−0.02
SAPPI	2.75	
Smith (C. G.) Sugar	5.90	−0.10
SA Breweries	1.28	−0.02
Tiger Oats and N. Mlg.	11.50	+0.10
Unisec	1.28	−0.02

Financial Rand U.S.$0.72 (Discount of 39.2%)

SPAIN ♥

March 2	Per cent	
Asland	131	+ 5
Banco Bilbao	286	+14
Banco Central	308	+15
Banco Exterior	270	+10
B. Granada (1,000)	134	
Banco Hispano	249	+ 9
Bco. I. Cat. (1,000)	163	+ 5
Bco. I. Mediterraneo	183	—
Banco Madrid	210	—
B. Santander (250)	310	+12
Bco. Urquijo (1,000)	262	+10
Banco Vizcaya	242	+12
Banco Zaragozano	237	+11
Bankunion	150	+ 6
Dragados	204	+10
Espanola Zinc	97	—
Fecsa (1,000)	63	+ 5
Gal. Preciados	57	+ 3
Gp Velazquez (400)	165	—
Hidrola	71	+ 5.25
Iberduero	68	+ 4.25
Petroliber	100	—
Petroleos	167	+10
Sniace	43	—
Sogefisa	130	+ 5
Telefonica	74.75	+ 4.75
Union Elec.	72	+ 5.25

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
C	F.350	11	14	2	16	—	—	F.360
C	F.360	7	6	2	9	—	—	"
C	F.370	5	1.30	—	—	—	—	"
C	F.380	10	0.50	—	—	—	—	"
C	F.30	5	2	4	2.70	3	4.10	F.30.90
C	F.32.50	20	0.80	4	1.80	10	2.60	"
C	F.35	1	0.30	—	—	2	1.50	"
C	F.80	—	—	—	—	5	1.40	F.76.70
C	$60	7	2⅞	—	—	—	—	$61¼
C	$20	—	—	—	—	10	4⅛	$22⅞
C	F.30	—	—	1	3.30	4	4.30	F.32.60
C	F.32.50	—	—	11	2.30	—	—	"
C	F.35	5	0.70	36	1.30	3	2.10	"
C	F.37.50	—	—	2	0.70	—	—	"
C	$300	14	11⅝	—	—	—	—	$302½
C	$320	8	3½	4	10¾	—	—	"
C	F.100	—	—	8	11	2	15.30	F.105.50
C	F.110	10	2.50	3	5	2	7.50	"
C	F.120	—	—	6	5	—	—	"
C	F.130	—	—	10	1.20	—	—	"
P	F.100	—	—	7	4.20	1	5.60	"
P	F.110	—	—	2	8.50	—	—	"
C	F.110	10	2.50	—	—	—	—	F.109.50
C	F.120	—	—	—	—	3	2.40	"
C	F.22.50	2	1.30	—	—	26	2.20	F.23.40
C	F.25	10	0.30	10	0.70	25	1.30	"
C	F.27.50	—	—	—	—	14	0.60	"
P	F.22.50	6	0.50	—	—	8	1	"
P	F.25	—	—	5	2.10	4	2.40	"
C	$40	2	2	2	4	—	—	$39½
C	$45	2	¾	4	2	—	—	"
C	$50	1	¼	—	—	—	—	"
C	F.120	11	11	12	11	—	—	F.131.20
C	F.125	24	6.80	—	—	—	—	"
C	F.130	163	3.10	34	4	—	—	"
C	F.135	26	1	7	1.90	—	—	"
C	F.140	29	0.60	—	—	—	—	"
P	F.125	—	—	—	—	2	4.20	"
P	F.130	16	1.70	—	—	—	—	"
C	$60	10	2¾	—	—	—	—	$61⅛
C	F.130	31	0.70	35	1.20	—	—	F.123.80
		May		August		Nov.		
C	$60	6	8½	3	10⅞	—	—	$66⅝
C	$70	14	4	7	6	1	7⅝	"

TOTAL VOLUME IN CONTRACTS 709
C=Call P=Put

BASE LENDING RATES

Bank	Rate
A.B.N. Bank	13½%
Allied Irish Banks Ltd.	13½%
Amro Bank	13 %
American Express Bk.	13½%
A P Bank Ltd.	13½%
Henry Ansbacher	13½%
Associates Cap. Corp.	14 %
Banco de Bilbao	13½%
Bank of Credit & Cmce.	13½%
Bank of Cyprus	13½%
Bank of N.S.W.	13½%
Banque Belge Ltd.	13 %
Banque du Rhone et de la Tamise S.A.	13½%
Barclays Bank	13 %
Bremar Holdings Ltd.	14½%
Brit. Bank of Mid. East	13½%
■ Brown Shipley	13 %
Canada Perm't Trust	13½%
Cayzer Ltd.	13 %
Cedar Holdings	13½%
■ Charterhouse Japhet	13½%
Choulartons	13½%
C. E. Coates	13 %
Consolidated Credits	13½%
Co-operative Bank	*13½%
Corinthian Securities	13 %
Credit Lyonnais	13 %
Duncan Lawrie	13½%
The Cyprus Popular Bk	13½%
Eagil Trust	13 %
English Transcont.	13½%
First Nat. Fin. Corp.	14 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	13½%
Greyhound Guaranty	13½%
Grindlays Bank	‡13 %
■ Guinness Mahon	13½%
■ Hambros Bank	13½%
■ Hill Samuel	§13½%
C. Hoare & Co.	†13½%
Julian S. Hodge	14½%
Hongkong & Shanghai	13½%
Industrial Bk. of Scot.	12½%
Keyser Ullmann	13½%
Knowsley & Co. Ltd.	14½%
Lloyds Bank	13 %
London Mercantile	13½%
Edward Manson & Co.	14½%
Midland Bank	13 %
■ Samuel Montagu	13½%
■ Morgan Grenfell	13½%
National Westminster	13 %
Norwich General Trust	13½%
P. S. Refson & Co.	13 %
Rossminster	13½%
Royal Bk. Canada Tst.	13½%
Schlesinger Limited	13 %
E. S. Schwab	15 %
Security Trust Co. Ltd.	14½%
Shenley Trust	15 %
Standard Chartered	13 %
Trade Dev. Bank	13½%
Trustee Savings Bank	13 %
Twentieth Century Bk.	14 %
United Bank of Kuwait	13 %
Whiteaway Laidlaw	14 %
Williams & Glyn's	13 %
Yorkshire Bank	13 %

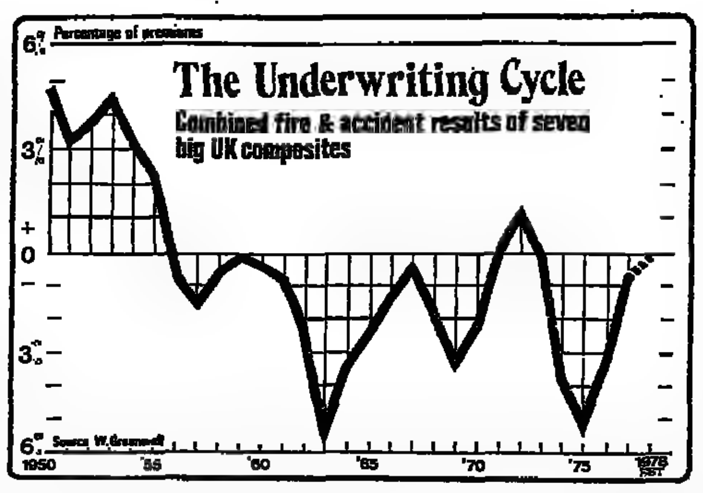
■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1-month deposits 11½%.
† 7-day deposits on sums of £10,000 and under 11% up to £25,000 11½% and over £25,000 11¾%.
‡ Call deposits over £1,000 10½%.
§ Demand deposits 11%.

Smaller profits growth for non-life insurance

BY RICHARD LAMBERT, Financial Editor

THE WORLD'S non-life insurance business has had a dramatic recovery in profits during the last three years. In contrast to substantial losses in 1975, the U.S. property/casualty insurance companies achieved a record underwriting gain of over $2bn in 1978. But from now on, life is likely to be tougher.

Pre-tax profits of the seven leading composite insurance companies in the UK probably rose by around a fifth in 1978 to nearly £600m in aggregate, following a jump of over 50 per cent in 1977. But profit growth this year is likely to be under 10 per cent, and the performance in 1980 could be even more pedestrian.



All three of the major UK groups which produced 1978 figures last week—Royal, Commercial Union and General Accident—are hoping to report higher profits in 1979. But their sights have already had to be lowered as a result of the bad weather in the UK during the first two months of the year. Further exceptional losses of any size would probably reduce their earnings growth to negligible proportions in 1979.

The main reason for this slowdown is that many classes of business in the U.S. market have reached a level of profitability which—because of competition and the influence of state regulatory authorities—is unlikely to be sustained for very long. The returns of many important U.S. companies, like Aetna, Continental St. Paul and Travellers, were already beginning to ease a little in the last quarter of 1978. And A. M. Best and Co., which monitors the U.S. insurance business, says that it "is more than just possible" that the industry's combined expense and loss ratio will exceed 100 per cent in 1979. In plain language, that means an underwriting loss.

Big seven

The U.S. market accounts for over a quarter of the non-life premium income generated by the big seven UK companies, and a considerably higher proportion for the three which reported last week. But they are by no means uniformly gloomy about the immediate prospects.

Mr. Jack Emms, chief general manager of the Commercial Union, thinks that "there must be a downturn in the U.S. this year." His opposite number at the Royal, Mr. Kenneth Bevins, takes a more hopeful view. "I don't subscribe to the view that we've hit the top of the cycle and that from now on we can only go downwards," he says. "I'm looking for more of a plateau, rather than the sudden rush downhill which some people are talking about."

Similarly Mr. David Blaikie, chief general manager of General Accident, is hopeful that, barring some unforeseen disaster, "things will not be too bad for us in the U.S. this year."

Given the enormous size of the U.S. market, a great deal depends on the way that each company's business is spread by State and by line of business. For instance, Royal Insurance has relatively low exposure to private passenger auto business, which is probably where competition has been keenest, and rate increases most hard to come by. On the other hand, workmen's compensation represents about a sixth of its U.S. business, and this is one of the few classes of businesses which did see significant rate increases last year.

But to judge by past underwriting cycles, the very best hope is that overall U.S. profits will only slip a little this year, and that losses in 1980 will not be too severe. The outlook for the rest of the world is not much brighter. Canada accounts for about a tenth of the UK companies' premiums, and here Royal reports "severe competition" in the final months of 1978. The Australian market (about 5 per cent of premiums) is once again in the doldrums. According to Mr. Blaikie, "There are too many companies chasing too little business."

The picture in continental Europe is a bit brighter, especially in Holland where the Commercial Union in particular has made big losses in the past few years. Mr. Emms believes that "the Dutch market reached the nadir in 1977, and we hope that it is still on the recovery tack."

In the UK market (a third of combined premium income) the position is more confused. The bad weather will have been a blow to specialists in householders' business, like Sun Alliance. Commercial property insurance, however, still appears to be doing well, and several companies have been doing better in general liability lines. Motor business seems to be producing modest underwriting profits for some groups, and modest losses for others.

Then there is marine and aviation business, where just about everyone expects to do worse.

According to stockbrokers James Capel, all this adds up to combined underwriting losses for the seven leading UK companies of over £50m this year, more than double 1978's level. But the strength in investment income, currently bringing in some £550m a year and rising at an annual rate of well over 10 per cent, means that overall profits should still be higher.

Moreover, there are good reasons for hoping that the coming decline in underwriting profitability will have a much less severe impact on the UK companies than did the downturn in the mid-1970s. The outlook for inflation in the U.S. and the UK may have deteriorated in the last few months—but not at the rate experienced in 1974. The losses in 1974-75 were the result of sharply rising inflation rates around the world which brought with it an enormous leap in claims costs and meant that the companies had to bolster their reserves to cover themselves against liabilities taken on previous years. The general level of loss reserves as a proportion of premium income is substantially higher than it was six years ago.

However the U.S. companies have not been able to rebuild their capital base back to the level of 1972-73: as a proportion of premium income, shareholders' funds are still noticeably lower than they used to be despite the recent surge in profits. This ought to make managers less inclined to compete to savagely on rates, especially when the scares of 1975 are so fresh in their minds. And one of the troubles of the mid 1970s arose from the fact that the conglomerates, which had moved into the insurance business in a big way, looked on premium income more as a source of cash flow, than as compensation for risk. With luck, they will be more selective this time around.

Of course, it is always tempting to assume that people are going to be sane the next time around. But even if they are not, the crucial point is that the UK companies have all radically reduced their exposure both to underwriting and investment risks in recent years. Their financial stance is very much more conservative than it used to be.

Interpretation

Thus they have increased their outstanding claims reserves as a proportion of investment income, to reflect higher rates of inflation and wider interpretations of liability. They have significantly reduced the share of their non-life investment funds held in equity or equity-type investments. For Commercial Union, the proportion dropped from 49 per cent to 29 per cent between 1972 and 1977: at the Royal, it dropped from 42 per cent to 23 per cent. The result is that any 1974-type collapse in investment values would now have a very much less painful impact on their solvency ratios.

Finally, all the companies have substantially increased their capital base since 1974, thanks to a series of rights issues and the high retentions of the past two years. This is best reflected in the solvency margin (shareholders' funds as a proportion of non-life premium income). The sector average slumped from under 50 per cent to around 25 per cent during 1974: it is probably over 50 per cent today.

This helps to explain why senior insurance managers now seem relaxed about the outlook for the next few years.

هكذا من الأصل

...ndia boosts ...ute exports ...o ease glut

...K. K. Sharma in New Delhi

...E INDIAN government has ...ded to export 100,000 bales ...aw jute of medium and low ...les through the Jute Cor... ...ation of India.

...he decision follows a raw ... glut and the threat of a ... in prices following a ...per crop of 7.9m bales this ...on in the wake of the recent ...lay strike in jute mills. ...ut 1m bales were carried ...ward from the last season.

...ute traders had asked the ...ernment to permit exports ...200,000 bales to prevent a ...p in prices since this would ...m growers, but the official ...ouncement merely says the ...ition will be reviewed later.

...naddition, however, about ...00 bales will be shipped to ...sia as part of the annual ...le agreement. Supplies have ... been sought by many other ...t European countries.

...leanwhile, indications are ...t the Government will also ...mit the export of raw cotton ...owing pressure from cotton... ...wing states which have ...ped a bumper harvest. Plans ...being worked out but it is ...ected that about 150,000 ...s will be exported.

...he grades to be exported ... mainly short and medium... ...ple varieties which are now ...urplus in states like Gujarat ... Maharashtra.

...otton exports are in addition ...the Government's plan to ...d up a buffer stock to ...vent prices from falling ...rply.

...all for more ...ubber imports

...E INDIAN Government has ...ed the State Trading Cor... ...ation to finalise contracts ...the importation of an extra ...00 tonnes of rubber to meet ...eased demand, writes K. K. ...rma.

...nnouncing this to Parlia... ...t, Mr. Mohan Dharia, the ...mmerce Minister, said the ...poration had already ...ported 14,700 tonnes of ...ber last September and ...ber but a review of the ...ation led to the decision to ...e additional imports.

...ubber prices in India have ...n by 50 per cent over the ... year, owing to a shortfall ...roduction and many rubber ...ducts like tyres and tubes ...become considerably more ...ensive.

China's withdrawal brings falls in metal markets

BY JOHN EDWARDS, COMMODITIES EDITOR

BASE METAL and silver prices fell sharply yesterday following the announcement that China was withdrawing its troops from Vietnam.

Copper led the general decline. Cash wirebars closed the London Metal Exchange £36.5 lower at £988 a tonne on and in New York values were the permissible limit down in early dealings before trading was temporarily suspended because of a computer failure.

Traders claimed that confirmation of the Chinese withdrawal only accelerated a downward trend that started in New York on Friday evening. It was thought the market had become somewhat overbought during the rise in prices last week to the highest level since 1974, and that a downward reaction was inevitable since speculators had played a major part in driving prices higher.

Another influence depressing the market yesterday was the move by Asarco, the U.S. copper producer, to lower its domestic selling price by five cents from the record $1 a lb reached last week.

Asarco has shown itself very willing to change its producer price in accordance with movements in the free market and the cut to 95 cents reflects the decline in New York on Friday and yesterday.

Amidst the excitement of the Chinese withdrawal, the market virtually ignored the decline in copper stocks held in LME warehouses. As expected, stocks fell by 3,450 tonnes reducing total holdings to 292,850 tonnes.

The fall in copper hit the lead market hard. Cash lead closed £21.5 lower at £550.5 a tonne. However, the cash price premium over the three months quotation rose by £1 to £37 despite the fact that warehouse stocks fell by only 75 tonnes to 15,225 tonnes.

It is widely believed that lead supplies are likely to become scarcer because of continued buying interest, especially from Communist bloc countries.

Tin prices were also held up by reports of a tightening in supplies available to the London market as a result of shipments being diverted to the U.S. to fill shortfalls there of consumers who have held off buying in hopes of releases from the strategic stockpile materialising soon.

On Friday, it was announced in Congress that the House stockpiles sub-committee had approved a Bill to some 35,000 long tonnes of stockpile tin. But it was noted that the Bill still has a long way to go before any stockpile tin is approved for release.

The same committee passed a similar Bill last year but it "died" with the end of the last session of Congress in November.

While the possibility of stockpile tin sales remains a dominant market influence, the market is still showing signs of strength following strong buying demand in Penang. LME warehouse stocks of tin, in fact, showed a marginal rise of five tonnes to a total of 2,135 tonnes.

As expected zinc stocks rose by 1,400 to 71,950 tonnes. Aluminium was unchanged at 13,775 tonnes and LME silver holdings increased by 200,000 to 21,300,000 ounces.

Silver prices fell heavily. The London bullion spot quotation was cut by 16.1p to 364.1p an ounce following the decline in copper, as well as gold and free market platinum.

Rubber supply warning

KUALA LUMPUR — World natural rubber production will meet no more than 25 per cent of the total natural/synthetic rubber demand of 24m tonnes projected for 1990, Mr. Paul Leong, Malaysian Primary Industries Minister, said here yesterday.

In 1977 31 per cent of the 12.4m tonnes world output total was met by natural production, he told a meeting of rubber industry and Government officials.

World natural rubber prices should continue to rise and Malaysia should expand the area devoted to rubber production by 200,000 acres a year between 1980 and 1985, he said.

To encourage this expansion he said Malaysia is seeking improved price stability through an international rubber agreement for which negotiations will continue in Geneva later this month.

Mr. Leong said an essential element of the proposed price stabilisation scheme in the agreement would be an assurance of a floor price to prevent prices falling to unrealistically low levels.

He said he saw no reason why consuming countries, such as the U.S., should oppose the concept of floor prices as it would be the best way in the long-term of stimulating new supplies to the market.

Reuter

PEPPER INDUSTRY

Disease and marketing hazards hit production

BY WONG SULONG IN KUALA LUMPUR

MALAYSIAN PEPPER crops which supply 35 per cent of world trade, are working under the constant threat of foot-rot—a disease that has so far defied all efforts at control.

In the East Malaysian state of Sarawak, where 95 per cent of the country's pepper is grown, the disease has spread throughout the region, and is hampering plans to expand cultivation of the crop.

In Sarikei, the centre of the pepper industry, some farmers are reported to have switched to cocoa after years of vain efforts to control the disease.

Foot-rot made its first appearance in Sarawak 30 years ago. It attacks the roots of the vines, and the only way to prevent it from spreading is to burn the diseased plants.

Unlike in India, Sri Lanka and Indonesia, where pepper is grown as an inter-crop with tea, coffee and cocoa, it is an intensive crop in Malaysia.

There are currently about 28,000 acres under pepper in Sarawak, and although this acreage may appear to be small pepper is the state's third most important export earner after timber and petroleum.

About 25,000 households are involved in the planting of this spice, very often in plots of less than an acre each. As an intensive crop, pepper is ideal for the Sarawak Chinese who find great difficulties in getting land for farming.

An acre of pepper provides a decent living, and a farmer is quite rich if he has five acres of the vines.

Pepper output can fluctuate sharply due to attacks of foot-rot, and floods. In a good year like 1976, when climatic conditions were excellent, Malaysia exported a record 40,200 tonnes of pepper.

But exports fell sharply the next year to 31,000 tonnes following an extensive outbreak of foot-rot in the aftermath of floods in Sarawak.

Although Malaysia is the world's biggest pepper exporter, officials are irked to find that this spice trade is handled mainly through Singapore merchants, whose traditional ties with the Sarawak Chinese are still very strong.

The Malaysian authorities have tried to cut off the Singapore middlemen by set-board. But so far, its efforts board. But so far, its efforts have had a limited success. Last December, a team from the board visited the EEC countries to establish direct contacts with buyers.

The board has set up three processing centres, and equipment meeting the standards of the American Spice Trade Association (ASTA) are expected to be installed by the end of the year.

The board is drawing up its own grades for pepper and plans to popularise the lesser-known grades. Sarawak traders say one difficulty in promoting direct exports is the present export duty structure, which is based on average Singapore market prices.

Because of the highly speculative nature of the Singapore market, Sarawak traders shy away from forward sales.

One of the most outspoken critics of the export tax structure is Mr. Bong Kee Chok, the former Sarawak Communist leader, who now makes a good living growing peppers and fattening pigs on a small farm, 30 miles from the state capital Kuching.

Mr. Bong, who led 482 Communist guerrillas out of the jungle under an amnesty in 1972, complains that the threat of foot-rot and the high export tax make pepper-growing a risky enterprise. Labour for picking the berries is also expensive, he says.

The Sarawak Government is trying to encourage more Bumiputras (indigenous people) to grow pepper, as it is probably the most rewarding cash crop for the Sarawak smallholder. In 1972 it started the pepper subsidy scheme where farmers, with 200 to 400 vines, are given a small cash subsidy and planting materials.

By the end of last year, 1,500 acres had been planted under the scheme, and it is hoped that another 5,500 acres will come under pepper by the end of next year.

Soviet grain needs rising

BY OUR COMMODITIES STAFF

WASHINGTON—Soviet grain import requirements may rise to 27m tonnes a year by 1980 according to a U.S. Central Intelligence Agency (CIA) report issued here, reports Reuter.

Imports could stay close to that level until 1985, the report says. "Only in the unlikely event that the Government is successful in holding to its current plan to slow the growth in meat consumption in 1981-85 would grain imports fall much below 20m tonnes."

The U.S. will continue to supply about 50 per cent of Soviet grain imports, the CIA predicts.

The USSR will need to import at least 15m tonnes of grain a year just to support the expanded meat production target of 19.5m tonnes by 1985, the report says.

"If meat production were to grow at the same rate as the anticipated growth of real consumer money income, annual import requirements for grain would be considerably higher, perhaps 25m tonnes."

For at least the next two years, the USSR should be able to finance purchases of as much as 30m tonnes of grain. But after 1980 Soviet foreign exchange earnings will shrink as the availability of oil for export declines, the CIA says.

Soviet grain output in 1985 is estimated at more than 20m tonnes below the target of 260m.

Although imports will vary with the USSR crop size, the CIA says much of the increased demand will be for feedgrains, especially maize.

The CIA does not expect a major increase n the use of soyabeans for feed inrichment. Soyabean imports will depend on USSR oilseed output, it says.

The U.S. may lose some of the Soviet wheat market to Canada and Australia but should be able to hold its share of Soviet feedgrain imports, according to the report.

Grain imports will not be limited by Soviet port facilities, which can handle an estimated 36m tonnes a year without any serious problem, the CIA adds.

In Taipei, meanwhile, the Taiwan Bureau of Foreign Trade confirmed that Taiwan plans to send a purchasing mission to Canada in May to buy wheat, maize and possibly oilseeds.

A spokesman for the Bureau said the dispatching of the mission is still in planning stage pending discussions with various local grain importers.

In Santo Angelo, Brazil, farming sources warned that the recovery in Rio Grande do Sul's soyabean plants during the past few weeks may be misleading as far as crop prospects are concerned.

The yellowish fields of early February have now turned green after the recent rains, and from the air look fairly uniform and promising.

UK barley stock sold

The UK Intervention Board, which administers EEC support buying programmes, has sold just over 17,000 tonnes of its barley stocks following a tender on March 2, the Home-Grown Cereals Authority said.

The remaining 3,800 tonnes of barley still in Intervention Board stocks will be offered for sale at a further tender on March 16.

Ghana cocoa purchases

ACCRA—The Ghana Cocoa Market Board said main crop cocoa purchases in the 21st week of the 1978-79 season (ended March 1) totalled 1,366 tonnes.

This brings the cumulative total so far this season to 244,478 tonnes. Purchases for the whole of last year's main crop season (ended May 4) totalled 263,214 tonnes.

Reuter

Sierra Leone to start rutile production

BY A CORRESPONDENT

AFTER ALMOST 10 years of intensive prospecting, Sierra Leone expects to start the production of rutile "within a month" according to Mr. David Fraser, vice-president of the Sierra Rutile Company.

It is expected that 54,000 tons of the mineral will be produced this year and close to 100,000 tons in 1980.

Sierra Rutile is hopeful that it can maintain production at 100,000 tons a year throughout the 1980s. World production of the mineral is at present about 500,000 tons and Sierra Leone's output will make it the world's second largest producer of rutile, after Australia.

Thet mineral (TiO_2) is used mainly to make a white pigment for high-quality white paint. It is used also for fabricating the metal titanium which, in its alloy form, is used in the manufacture of parts for aero engines and sub-aqua vessels. Rutile is used too in glass and porcelain manufacture.

The Sierra Rutile Company is 85 per cent-owned by Bethlehem Steel and 15 per cent by the Nord Resources Corporation.

In 1971 the company acquired a mining area in the south of Sierra Leone near Gbangbatok, which was formerly owned by Sherbro Minerals.

Sierra Rutile will pay the Sierra Leone Government a royalty of $4 per ton produced, plus 50 per cent of profits. The world price of rutile has risen over the last five month from $180 a ton to its present level of $230 a ton.

The entire output of the mines will at first be exported. Mr. Fraser believes that Sierra Leone may eventually be able to use a certain amount in its own factories. But rutile is expected to make a major contribution to the country's foreign exchange earnings

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Sharply lower on the London Metal Exchange as the reaction on an overbought market continued from Friday and was exacerbated by news of the Chinese decision to withdraw from Vietnam. Heavy stop-selling took forward metal down to £1025 to £988 before any steadiness emerged. The selling was interspersed with trade buying. In the afternoon there was a recovery to £1011, but Comex opened limit-down and trading was eventually brought to a halt by a computer breakdown. London closed on the Kerb at £1008. Turnover 22,950 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £990, three months £1,007, 8, 6, 4, 5, 5.5, 6, 8, 9, 8, 7, 7.5, 8, 8.5, 8. Cathodes, cash £982, 83, 84, three months £998, 1001, 1001.5. Kerb: Wirebars, three months £1,008, 9, 8, 7, 6, 5, 6, 5. Afternoon: Wirebars, three months £999, 98, 97.5, 98, 99, 98, 99, 98.5, 1,003, 4, 6, 4.5, 5, 5.5. Kerb: Wirebars, three months £1,008, 9, 10, 9, 10, 11, 10, 9, 8, 7, 8, 9, 8.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	989-90	—35½	988.5-9.5	—38.5
3 months	1007-8	—35½	1005-.5	—37
Settl'm'nt	990	—35	—	......
Cathodes				
Cash	984-.4	—32.5	979-81	—35
3 months	1001-.5	—31	997-9	—32.5
Settl'm'nt	984.5	—32.5	—	......
U.S. Smt.	—	......	*87-98	......

TIN—Recovered after a weak start when, despite the steadiness in the East over the weekend, forward metal fell from £7230 to £7140 on stop-loss selling linked to events in Vietnam. Interest in cash metal helped to hold the price between £7120 and £7150 and, in the afternoon, there was a rally based on buying against U.S. physical sales and bear covering. After touching £7205, the price closed on the Kerb at £7200. Turnover 1,150 tonnes.

Morning: Standard, cash £7,250, 40, three months £7,150, 30, 20, 30. High Grade, cash £7,260. Kerb: Standard, three months £7,130, 35, 30, 20. Afternoon: Standard, cash £7,300, 40, three months £7,120, 30, 60, 65, 75, 80, £7,200, 7,210, 05, 7,200. High Grade, cash £7,310. Kerb: Standard, three months £7,200, 7,170, 7,190.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7240-50	—175	7350-45	—10
3 months	7150-70	—160	7220-40	—52.5
Settlem't	7250	—175	—	......
Standard				
Cash	7240-50	—175	7330-40	—50
3 months	7125-30	—165	7200-5	—50
Settlem't	7250	—175	—	......
Straits. E.	$1927	+2	—	......
New York	—	......	—	......

LEAD—Fell heavily in line with copper reflecting news that China is to withdraw from Vietnam. After opening on the pre-market at £526 forward metal fell away to £514 in the morning rings but later rallied to touch £519 prior to closing at £516.5 on the late kerb. Turnover 10,600 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	552-4	—15	550-1	—21.5
3 months	516-7	—12.7	513-4	—22.7
Sett'ment	554	—15	—	......
U.S. Spot	—	......	44	......

Morning: Cash £556, three months £514, 15, 15.5, 16, 17, 19, 18, 17. Kerb: Three months £515, 14. Afternoon: Cash £551, three months £510, 11, 10, 14, 13.5, 13, 14, 13. Kerb: Three months £515, 16.5, 18, 15, 16, 15.5, 16.

ZINC—Lost ground reflecting the trend in other base-metals. Forward metal opened at £405 and was marked down to £398, but this level attracted trade buying and the price thereafter moved narrowly before closing at £399 on the late kerb. Turnover 22,250 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	†+ or —
	£	£	£	£
Cash	390-1	—4.5	387-8	—7.5
3 months	401-2	—6.25	398.5-9	—5
S'ment	391	—4.5	—	......
Prim. west	—	......	38.5-7.5	......

Morning: Three months £400, 401, 400, 400.5, 401, 400 5, 401. Kerb: Three months £401, 400.5, 399, 98, 97, 95.5, 95. Afternoon: Three months £396, 97, 98, 99, 98.5. Kerb: Three months £400.

ALUMINIUM—Easier as recent weakness continued but the fall in forward metal was restricted. After slipping from £734 to £728, it steadied to close on the kerb at £731. Turnover 3,171 tonnes.

Alumin'm	a.m. Official	†+ or —	p.m. Unofficial	†+ or —
	£	£	£	£
Spot	729-31	—8.5	730-1	—6
3 months	731-.5	—8.25	731.5-2	—7

Morning: Three months £727, 29, 29, 28, 27, 28, 30, 31, 31.5. Kerb: Three months £731, 30, 29. Afternoon: Three months £730, 31, 30.5, 32, 31.5. Kerb: Three months £732, 31, 32, 31, 31 5.

SILVER

Silver was fixed sharply lower in the London bullion market yesterday at 364.1p, a loss of 16.1p an ounce. U.S. cent equivalents of the fixing levels were: spot 736.8c, down 31.8c; three-month 751.6c, down 34.3c; six-month 768.1c, down 33.4c; and 12-month 790.6c, down 33.1c. The metal opened at 370¾-372¾p (748-752c) and eased to a close of 362-364p (732-736c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	364.1p	—16.1	364.p	—14.5
3 months	373.3p	—17.0	373.35p	—14.9
6 months	382.5p	—17.8	—	......
12 months	396.8p	—18.7	—	......

LME—Turnover 356 (223) lots of 10,000 ozs. Morning: Three months 371.5, 372, 72.3, 72.5, 73, 73.2. Kerbs: Three months 373, 73.1, 73, 72.5, 72 3, 72.5. Afternoon: Three months 371, 1.2, 1.5, 1.8, 72, 2 5, 73, 3.2, 3.4, 3.5. Kerbs: Three months 374, 73 9, 74.5.

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 65 tonnes. Slow trading was mainly centred on immediate requirements. African and South American qualities were sought but the turnover lacked incentive.

COCOA

The market drifted lower throughout the day firming towards the close with renewed buying, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
March	1682.0-84.5	—22.25	1692.0-69.0
May	1730.0-32.0	—15.5	1755.0-03.0
July	1741.0-42.0	—22.5	1747.0-25.0
Sept	1766.0-58.0	—22.0	1788.0-49.0
Dec	1805.0-09.0	—20.0	1819.0-17.98
March	1850.0-59.8	—24.5	1845.0-30.0
May	1845.0-54.0	—28.0	1852.0-50.0

Sales: 4,664 lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound)—Daily price March 2: 157.53 (160.01). Indicator prices March 5: 15-day average 160.81 (160.06); 22-day average 158.39 (158.65).

COFFEE

ICO Indicator prices for March 2 (U.S. cents per pound): Colombian Mild Arabicas 130.00 (same); unwashed Arabicas 130 00 (same); other mild Arabicas 123.83 (123 00); Robustas ICA 1976 133.00 (132.50); Robustas ICA 1968 133.50 (133 00). Daily average 127.74 (128.00).

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
March	1458-1440	+35.5	1439-1380
May	1404-1406	+46.5	1410-1362
July	1388-1390	+32.5	1390-1360
September	1378-1379	+28.0	1380-1351
November	1361-1368	+24.0	1362-1343
January	1350-1355	+27.0	1355-1336
March	1338-1343	+28.5	1335-1320

Sales: 4,961 (2,091) lots of 5 tonnes.

GRAINS

LONDON FUTURES (GAFTA)—The market opened 10p higher. Wheat values eased after some initial buying interest to trade 70p lower on May. Good support was seen at these levels and the market rallied in the afternoon session 20-25p lower on the day. New crop saw very little trade and closed steady 10p to 15p up. Barley saw fairly aggressive selling of the May option and values eased 80 where a good two-way trade was seen. The market rallied slightly after lunch on lack of offers but met some selling pressure again at around 35p lower and values closed 20-55p down on the day. New crops saw a little selling pressure in the afternoon and closed about steady 5-10p lower. Acli reported.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
Mar.	96.40	—0.20	93.20	—0.20
May	99.35	—0.25	95.55	+0.45
Sept.	91.65	+0.10	85.00	+0.10
Nov.	94.80	+0.10	88.45	—0.10
Jan.	98.45	+0.15	92.15	—0.05

Business done—Wheat: March 96.50-96.00, May 99.60-98 90, Sept 91.65-91.65, Nov. 94.85-94.80, Jan. 98.40-98.40. Sales: 82. Barley: March 93.40-93.00, May 96.20-95.30, Sept. 85 20-85.20, Nov. 88.65-88.55, Jan. 92.30-92.15. Sales: 181.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent, unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, mid-March/mid-April 94.75, mid-April/mid-May 93.85, transhipment East Coast. U.S. Hard Winter, 13½ per cent, March 90 00, transhipment East Coast. EEC unquoted. Maize: U S./French 109.50, April 110.00, transhipment East Coast. South African White unquoted. South African Yellow April 71 50 UK. Barley: English feed fob March 97.50, April-June 99.50, East Coast.

EEC IMPORT LEVIES—The following levies and premiums are effective for March 6, in order of current levy plus April, May and June premiums (with previous in brackets), all in units of account per tonne. Common wheat: 84.31, 7.15, 7.15, 7.15 (84.31, 7.15, 7.15, 7 45). Durum wheat: 132.43, 0.97, 0 97, 1.12 (132.43, 1.12, 1.12, 1.73). Rye: 86.61, 0.61, 0.61, 0.61 (86.61, 0.30, 0.30, 0.30). Barley: 92.13, rest nil (92.13, rest nil). Oats—88.12, rest nil (88.12, rest nil). Maize (other than hybrid for seeding) 80 04, 0.30, 0.30, nil (80.04, 0.15, 0.15, 0.15). Buckwheat: 4 72 rest nil (4.72, rest nil). Millet: 79 20, 0.61, 0.61, nil (79.20, 0 61, 0 61, nil). Grain sorghum: 82.85, 3.04, 3 04, 3 04 (82.85, 2 43, 2 43, 3.04). Flour levies: Wheat or mixed wheat and rye flour: 129.82 (129.82). Rye flour: 133.03 (133 03).

HGCA—Location ex-farm spot prices. Other milling wheat: Cambridge 95.10. Feed barley: Central Scotland 90.10, Cambridge 90.70.

The UK monetary coefficient for the week beginning March 12 (based on HGCA calculations) is expected to decrease to 1.264.

HGCA—Average UK ex-farm spot prices for week-ending March 1: Other milling wheat £95.80 (+£1.80): feed wheat £90.20 (+£1.80): feed barley £90.20 (+£2.40); malting barley £92.80 (+£1.40).

RUBBER

EASIER opening on the London physical market. Fair at lower levels, closing uncertain. Lewis and Peat reported the Malaysian godown price was 250 (251) cents a kilo (buyer, March).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
April	58.05-60.25	60.40-61.50	60.50-60.25
May	60.50-61.00	61.00-61.40	—
Apr-June	60 75-60.90	61.50-61.55	61.00-60.20
Jy-Sept.	63.40-63.45	63.80-63.85	64.20-62.80
Oct-Dec	65.45-65.55	65.90-65.95	65.10-64.95
Jan-Mar	67.30-67.65	67.90-67.95	68.10-67.20
Apr-Jne	69.30-69.40	69.90-70.00	70.10-69.15
Jy-Sept.	71.35-71.40	72.00-72.05	72.55-71.40
Oct-Dec	73.40-73.50	74.05-74.10	74.00-73.45

Sales: 574 (892) lots of 15 tonnes and 3 (none) at 5 tonnes.

Physical closing prices (buyers) were: Spot 59 75p (60 0): April 60.25p (60 5); May 61p (61.5).

SOYABEAN MEAL

The London market opened at unchanged but collapsed at £2.50 with news of Chinese withdrawal, reported T. G. Roddick. During late afternoon the market rallied to close with losses of £1 20-70p on day.

	Yesterday Close £ per tonne	+ or —	Business Done
April	126.00-26.5	—0.45	25.50-25.00
June	127.10-27.3	—1.15	28.50-25.80
August	129.00-29.5	—0.70	29.60-27.70
October	128.50-29.5	—0.55	29.50-27.50
December	128.00-29.5	+0.25	—
February	128.00-31.5	+0.75	—
April	128.00-35.0	—1.0	—

Sales: 148 (52) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £101 00 (£103.00) a tonne cif for Feb./March shipment. White sugar daily price was fixed at £104.00 (£105 00).

The market opened around overnight levels and thereafter prices made small gains in moderate trading conditions, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	107.60-07.65	107.80-07.85	08.00 08.75
Aug	111.90-11.95	111.75-11.80	12.35-10.75
Oct.	115.15-15.20	114.90-15.00	15.40-14.00
Dec	118.25-18.40	117.75-17.85	18.40-17.00
March	123.10-23.25	122.40-22.50	23.50-21.50
May	125.75-26.20	125.80-25.75	—
Aug	128.60-29.30	127.75-28.75	—

Sales: 2,020 (1,744) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.95 (same) a tonne for home trade and £170.00 (£171.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port)—Price for March 2: Daily 8.39: 15-day average 8.44.

WHITE SUGAR—Close (in order buyer, seller, business, sales). April 103.25, 103.50, 103.25-102 00, 80; July 108 25, 108.45, 108.50-107 25, 98; Sept. 113.80, 113 90, 114.50-113.50, 32; Nov. 117 5, 119 00, nil, nil; Feb. 126.00, 126 50, 125.75, 1, April 130.50, 131 00, nil, nil; July 134 50, 136.00, nil, nil. Sales: 209.

WOOL FUTURES

LONDON GREASY—Close (in order buyer, seller) March 224.0, 241.0; May 240 0, 249 0; July 243.0, 252 0; Oct. 243 0, 257 0; Dec. 245 0, 257.0; March 245.0, 257.0; May 245.0, 257.0; July 245 0, 257.0. Sales: nil.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller). March 188 0, 197.0; May 196.0, 200.0; July 196.0, 204.0; Oct. 195 0, 207.0; Dec. 196.0, 209.0; March 196.0, 211.0; May 196.0, 211.0; July 196 0, 211.0. Sales: 10.

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: March 398 5, 400.0, 403.0-398.0, 11; May 405 4, 406.5, 411 0-405.0, 50; July 407.0, 408.0, 409 0-407.0, 19; Oct. 396 0, 397.0, 399.0-396.0, 29; Dec. 394.0, 398.0, 396.0-396.0, 6; March 397.0, 399.0, 399.0-398.0, 6; May 398.0, 400.0, 400.0-398.0, 10; July 400.0, 403.0, 400.0-399.0, 8. Sales: 138.

MARK LANE—The market was generally quiet, although market values still remained firm. Milling wheat delivered London: March £98.00, April, May, June £105.00. Denaturable quality wheat delivered E. Anglia: March £97.00, April, May, June £102.00. Barley delivered E. Anglia March £96.50, April, May, June £98.20.

BRADFORD—Prices for crossbred tops fell by from 2p on English wool tops to 5p or 6p on New Zealand types reflecting the easing at the Wanganui sales on Friday.

PRICE CHANGES

In tonnes unless otherwise stated.

	Mar. 5 1979	+ or —	Month ago
Metals			
Aluminium	£710	....	£710
Free Mkt (cif)	$1,475/85	....	$1,280/50
Copper			
Cash w'bar	£988	—38.5	£914.5
3 mth „	£1,005.25	—37.0	£929.25
Cash Cathode	£980	—35.0	£904
3 mth „	£998	—31.5	£918.5
Gold troy oz.	$239.25	—8.87	$229.825
Lead cash	£550.5	—21.5	£536
3 mth	£513.5	—22.75	£500
Nickel	£2320.69	....	
Freemkt(cif)(lb)	$2,10 2.25	....	$1,68 1.85
Platin'm tr'y oz	£164.5	....	£164.5
Free mkt	£195.85	—6.45	£192.9
Quicksil'ver	$230/40	....	$200/10
Silver troy oz	364.1p	—16.1	334.8p
3 months	373.3p	—17.0	344.1p
Tin cash	£7,335	—10.0	£7,180
3 mths	£7,202.5	—42.5	£7,115
Tungsten	$134.1	+36.16	$144.29
Wolfrm 22.04 cif	$142/49	+5.0	$120/25
Zinc cash	£387.5	+7.5	£367
3 months	£398.75	—9.0	£379.5
Producers	$800	....	$760
Oils			
Coconut (Phil)	$1,010r	....	$1,000
Groundnut	‡	....	‡
Linseed Crude	£395	....	£360
Palm Malayan	$660r	—25.0	$647
Seeds			
Copra Philip	$675q	....	$685
Soyabean (U.S.)	$307.7w	—4.5	$290
Grains			
Barley Futures	£95.55	—0.55	£90.05
Maize			
French No3 Am	£109.5	....	£108.75
Wheat			
No. 1 Red Spg.	‡	....	‡
No2HardWint.	£90	+0.25	£87.25
Eng. Milling †	£98	—0.50	£96
Other commodities			
Cocoa ship't	£1,744.5	—21.0	£1,793
Future May	£1,731	—15.5	£1,727.5
CoffeeF't'rMay	£1,405	+46.5	£1,305.5
Cotton A'index	76.5c	+0.35	75.45c
Rubber kilo §	59.75p	—0.25	59p
Sugar (Raw)	£101	—2.0	£95
Wooltp's 64s kl	286p	....	268p

* Nominal. † New crop. ‡ Unquoted. p April-May. q May-June. r May. v March-April. w April. x Per ton z Indicator. § Buyer.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 54 0 to 59.0. Eire hindquarters 63 0 to 67.0.

Veal: English fats 77.0 to 80.0. Dutch hinds and ends 91 0 to 95 0.

Lamb: English small 60 0 to 68.0, medium 58 0 to 64.0, heavy 52.0 to 62.0; Scottish medium 54.0 to 62.0, heavy 54.0 to 62.0; Imported frozen—N.Z. PL New Season 48.0 to 49.0. PM New Season 48.0 to 49.0.

Pork: English, under 100 lb 38.5 to 45.0, 100-120 lb 36.0 to 43 5, 120-160 lb 35 0 to 42 0

MEAT COMMISSION—Average fatstock prices at representative markets on week ending March 3. GB cattle 71.95p per kg. l.w. (−1 17). UK sheep 153.7p per kg. est. d.c.w. (+0 5). GB pigs 61.5p per kg. l.w. (−0.9). England and Wales: Cattle numbers down 5.1 per cent, average price 72 23p (−1 36). Sheep numbers down 1 3 per cent, average price 154.2p (+0.5). Pigs numbers up 7.5 per cent, average price 61.4p (−0.9). Scotland: Cattle numbers down 1.4 per cent, average price 71.01p (−0.42). Sheep numbers up 7.3 per cent, average price 150.5p (+0.6). Pig numbers up 19.7 per cent, average price 63.4p (−0.4).

MEAT COMMISSION—Average fatstock prices at representative markets on March 5. GB cattle 72.44p per kg l.w. (−0.07); UK sheep 153.0p per kg est.d.c.w. (−0.6); GB pigs 60.6p per kg. l.w. (+0.5). England and Wales: Cattle numbers down 12.4 per cent, average price 72 75p (−0.09); Sheep numbers down 6.5 per cent, average price 153.4p (−0.8): Pig numbers down 2.5 per cent, average price 60.5p (+0.5). Scotland: Cattle numbers up 8.5 per cent, average price 70.91p (+0.39); Sheep numbers down 48 2 per cent, average price 149.4p (−3.2); Pig numbers down 13.0 per cent, average price 63 5p (−0 5).

COVENT GARDEN—Prices in sterling per package, except where otherwise stated. Imported Produce: Lemons—Italian, 120s 4.20-4.30; Cypriot trays 3.30-4.00, cartons 126/180s 4 00-6.00; Spania: trays 30/40/45 1.60-1 80, Jaffa, 125 4.90. Oranges—Spania: Navels 3 60-4.20; Bloods 3.60-4 00; Israeli: Shamouti 4.60-5.20; Cypriot 3.30-4.50; Moroccan: Hamlins 4 00-4.20. Clementines—Spania: 4.00-5.00. Mandarins—Spania: 3.50-4.20. Wilkings—Spania: 4 00-4.50. Grapefruit—Cypriot: 2.50-3.80; Israeli: Jaffa 27/88 3.45-4 05. Ortaniques—Jamaican: 46/126 6 50-8.60. Apples—French: Golden Delicious (40lb) 138/175s 3.30-4 50 (20 lb) 72s 2.10-2 30, 84s 1 80-2 00; Granny Smith (40 lb) 138/163 4.50-5.80, (20 lb) 72s 2.90-3.00, 84s 2.40-2 50, (jumble pack) per pound 0.08-0 10, Stark Crimson (40 lb) 138/198s 3.40-5 00, (20 lb) 84s 1.80-2 40, 72s 2 40-2.50, (jumble pack) per pound 0.07-0 08; Starking Delicious (40 lb) 150/175s 3.60-5.50; Hungarian: Starking Delicious 40 lb 5.40. Pears—per pound, Italian: Passacrassane 0 13; Dutch: Conference 0 13-0 15; S. African: Cleops 4 60-4.70, Williams Bon Chretien 5 80, Buerre Bosc 5 50. Plums—S. African: per pound Gaviotas 0 40-0 45, Red Ace 0.25-0 28. Bananas—Jamaican: per pound 0 12-0.12. Pineapples—S. African: 10/11s 3 50-3 80; Ivory Coast: each 0.40-0 90. Grapes—S. African: carton, Queen of the Vineyard 6 30, Ben Hannah 7 00, Alphonse 7 50, Waltham Cross 6 20. Avocados—Israeli 3 50-3 60.

English Produce: Potatoes—per 25 kg 1 70-2.40. Lettuces—per 12 round 2 20. Mushrooms — per pound 0 60-0.65. Apples—per pound Bramley 0.06-0.11; Cox's Orange Pippin 0.07-0.16, Spartan 0 06-0.10, Laxtons 0 05-0 07. Pears—per pound Conference 0.11-0 16, Comice 0 18-0 22. Cabbages—per net 3.50-4 50. Betroots—per 28 lb 0.90. Carrots—per 28 lb 0 80-1 20. Onions—per 28 lb 1 50-2 40. Rhubarb—per pound 0 22-0 23. Swedes—per 28 lb 0 90-1 00. Turnips—per 28 lb 0 80-1 00. Parsnips—per 28 lb 1 00-1 20. Sprouts—per pound 0 12-0 15. Cucumbers — tray 12/15s 3 40-4 20. Tomatoes—per pound 0 40-0.50.

AMERICAN MARKETS

NEW YORK, March 5.

Copper—March 87.25 (90.35), April 87.85 (90.85), May 88.75, July 89.35, Sept. 89.65, Dec. 90.00, Jan. 90.15, March 90.25, May 90 45, July 90.35, Sept. 90.40, Dec. 90.50, Jan. 90.50.

¶Silver—March 732.50 (748.50), April 740.00 (760.00), May 746.00, Sept. 764.10, Dec. 777.20, Jan. 781.40, March 790.00, May 798 60, July 807.20, Sept. 815.80, Dec. 828.90, Jan. 833.40. Handy Harman spot bullion 740 00 (771.50).

CHICAGO, March 5.

Lard—Chicago loose 25.00 (same). New York prime steam 26.50 nom. (26.50 traded).

‡‡Maize—March 237¼-237½ (238½), May 247¼-247 (246¾), July 251¼-251, Sept. 264½, Dec. 259-259½, March 267.

Silver—March 734.0 (764.7), April 747.0 asked (767.0), June 756.9 asked, Aug. 765.8 asked, Oct. 774.4 asked, Dec. 783.2 asked, Feb. 792.2 asked, April 801.2 asked, June 810.3 asked, Aug. 819.6 asked, Oct. 829.1 asked, Dec. 838.8 asked, Feb 848 7 asked, April 858.8 asked, June 868.1 asked, Aug. 879.6 asked, Oct 890.3 asked.

‡Soyabeans—March 752 (741½), May 767-765½ (757), July 775-773, Aug. 767, Sept. 731, Nov. 710½-710, Jan. 720-721, March 731½-732.

‖Soyabean Meal—March 196 00 (193.60), May 201 30-201 50 (199 40), July 205 00-205 20, Aug. 204.70-201 50, Sept. 201.00-201 50, Oct. 190.00-196 50, Dec. 196.10-196 30, Jan 196 20-196 50, March 199.50.

Soyabean Oil — March 27 00-26.95 (28 53), May 27 20-27.25 (28 35), July 27.30-27.25, Aug. 27.20-27 10, Sept. 26.70-26.65, Oct 25 80-25 85, Dec. 25.40, Jan. 25 30-25 25, March 25 15, May 25.05-25 10.

‡Wheat—March 388-386½ (380), May 356-355½ (354¾), July 326-326½, Sept. 329, Dec. 339¾, March 348½.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, March 5.

U.S. No. 2 Dark Hard Winter wheat 13.5 per cent, mid-Feb./mid-March $164. U.S. Hard Wheat ordinary unquoted. U.S. No. 2 Red Winter wheat June $147, July $144. U.S. No. 2 Northern Spring wheat, 14 per cent, mid-March/mid-April $174, April-May $151, May-June $150.

Maize—U.S. No. 3 Corn Yellow, Afl. $122.50, Feb. $122 75, March $122, April $122, May $122, June $121 75, April-June $122, July-Sept. $122, Oct.-Dec. $123.

Soyabeans—U S. 2 Yellow Gulf Ports Afl. $298.50, March $300, April $303.25, May $304.50, June $306.25, July $306, Aug. $305.25, Sept. $304, Oct. $284.25, Nov. $282, Dec. $286, Jan. $289.75, Feb. $293.50, March $294.75, sellers, May $303 traded. Brazil unquoted. Argentine April $297.5, May $296, June-July $296.25.

Soyameal—44 per cent protein, U.S. Afl. $236, Feb. $238, March $237, April-Sept. $238, Nov.-March $239. Brazil Pellets Afl $243 50, March $244 50, April-May $248, April-Sept. $248, Nov.-March $249.

PARIS, March 5.

Cocoa (FFr per 100 kilos)—March 1410-1415, May 1430-1432, July 1470 asked, Sept. 1485-1490, Dec. 1505-1519, March 1515-1535. Sales at call 11. Accumulative total 258.

Sugar (FFr per 100 kilos)—May 898-99, July 914-918, Aug. 940-945, Oct. 983-985, Nov. 975-985, Dec 1007-1025, March 1068-1085, May 1078-1088. Sales at call 2.

● Commodity market coverage in these columns is being extended to include French sugar, cocoa, coffee, soyabean meal and wool market closing prices. More U.S. futures markets will also be covered including silver, live cattle, hogs, eggs, pork bellies and plywood from Chicago and orange juice and potatoes from New York.

INDICES

FINANCIAL TIMES

Mar. 2	Mar. 1	M'nth ago	Year ago
271.02	271.75	265.23	228.66

(Base: July 1, 1952=100)

MOODY'S

Mar. 2	Mar. 1	M'nth ago	Year ago
1076.3	1078.5	1018.3	901.2

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 2	Mar. 1	Month ago	Year ago
Spot	384.31	386.46	376.40	353.32
F'tur's	381.23	383.68	370.41	330.07

(Average 1924-25-26=100)

REUTERS

Mar. 5	Mar. 2	M'nth ago	Year ago
1544.8	1556.2	1530.7	1384.6

(Base: September 18, 1931=100)

Political speculation short-lived in Gilts and equities

Fresh early gains either sharply reduced or erased

Account Dealing Dates

Option *First Dealings	Declara-tions	Last Dealings	Account Day
Feb. 12	Feb. 22	Feb. 23	Mar. 6
Feb. 26	Mar. 8	Mar. 9	Mar. 20
Mar. 12	Mar. 22	Mar. 23	Apr. 3

* "New time" dealings may take place from 9.30 am two business days earlier.

Following consideration over the weekend of the Government's dilemma caused by the result of the Scottish referendum on devolution, the equity market initially extended Friday's late rise. Speculation about the alternatives facing the Government was not as heavy as on Friday, however, mainly because any fresh move on the question was unlikely for a week or two.

Sentiment at the opening was encouraged by a new upsurge in Government stocks following cancellation of the one per cent recall of special deposits, which had been due next Friday. Further domestic and foreign demand pushed Gilt-edged up by 1½ points, but profit-taking and the need to obtain funds for the call of £35 due next Tuesday on the longer of the two latest Government scrips pared the gains and equities followed suit.

The decline in both sectors gathered pace on the announcement that the Scottish Mineworkers' executive had rejected the Coal Board's 15 per cent pay offer which is still going to ballot. After looking cautious for a while, both markets appeared to steady but lost further ground after the official close in spite of the continued absence, at 3.30 pm, of any announcement regarding replacement tap stocks.

Short-dated funds were less prone to react than the longs and settled with rises extending to a point, more in the case of selected low-coupon issues, but final improvements at the other end of the market were whittled away to only ½. The FT Government Securities furthered its recent strong advance to close 0.17 higher at 71.57.

Neither the gloom emanating from industry about economic prospects nor the expected reductions in clearing bank base rates made much impression on the industrial sectors. Trade became spasmodic once early investment business had been completed, although official markings were again fairly high at 6,734 as against the recent daily average of less than 5,000.

The FT 30-share index reached its best level at 11 am with a gain of 4.2, but thereafter it eased progressively to close unaltered on the day at 484.6. Late news of the marked improvement in the Vietnamese situation failed to generate any fresh enthusiasm in either of the two main sectors.

Widespread selling from South African, Continental and UK sources activated by a combination of a sharply lower bullion price and investment currency premium brought losses ranging to 1½ points among heavyweight Gold shares. As a result, the FT Gold Mines index fell 8.1 to 161.2.

Institutional selling of investment currency found buyers on the retreat and the premium lost early stability to close four points down at around the day's lowest of 81½ per cent. Yesterday's SE conversion factor was 0.7064 (0.6933).

An active start to the week in the Traded Option market saw 1,785 contracts completed, compared with Friday's 1,207 and last week's daily average of 1,456. Cons. Goldfields were particularly lively, recording 493 deals, while Grand Metropolitan totalled 335.

Midland easier

The base lending rate reductions announced by the major clearing banks in the wake of last week's cut in Minimum Lending Rate prompted a reaction in the big four and early gains to 8 were replaced by falls ranging to 9. Midland, which conclude the dividend season on Friday, closed 9 off at 393p, after 408p, while Lloyds ended a like amount down at 313p, after 328p. Barclays lost 7 to 423p, after 438p, but NatWest finished only 2 cheaper at 340p, after 348p. The trend towards lower interest rates encouraged Hire Purchases to improve. Lloyds and Scottish, 113p, and Provident Financial, 106p, rose 2 and 3 respectively, while additionally helped by the chairman's confident remarks. Wagon Finance hardened 2 to 46p.

Insurances displayed no set trend following a moderate business. Life issues made progress with Legal and General, 154p, and Refuge, 144p, up 6 apiece, while, among brokers, Christopher Morgan gained 4 at 43p.

A useful trade developed in the Brewery leaders with Bass supported at 171p, up 4, along with Allied 86½p, and Guinness, 174p, which rose 2½ and 3 respectively.

Leading Buildings closed easier for choice following a spasmodic trade. Profit-taking clipped 1½ from London Brick at 67p. Elsewhere, Brown and Jackson slipped 5 to 345p, but Wilson (Connolly) attracted buyers and firmed 9 to 152p, while acquisition news prompted a gain of 2 to 95p in Heywood Williams.

Fisons firmed 7 to 317p on annual profits in excess of market estimates, but ICI, after early progress to 393p, reverted to unchanged at 390p. The annual profits increase and proposed 100 per cent scrip issue failed to stimulate interest in Blagden and Noakes which held at 244p, but renewed demand in a thin market lifted Brent 14 to 249p.

MFI below best

MFI Furniture Centres remained in a buoyant mood as renewed investment buying ahead of the forthcoming reorganisation saw them touch a 1978-79 peak of 315p before closing at 290p, up 10 on balance. Buying ahead of the shares going ex the 400 per cent scrip issue left Status Discount 13 higher at 293p, after 297p, while improvements of 8 and 10 respectively were seen in Martin the Newsagent, 240p, and NSS Newsagents, 118p. Bambers added 5 to 164p and Polly Peck edged forward 1½ to 12p. William Mowat, on the other hand, softened a penny to 57p on news of a large shareholding changing hands.

Still unsettled by last week's dividend warning, EMI encountered fresh selling and gave up 5 to a 1978-79 low of 115p. Elsewhere in the Electrical leaders, GEC improved to 362p before sellers gained the upper hand and brought about a reaction to 355p for a fall of 4 on balance. On the other hand, buyers made their presence felt in Thorn, 12 to the good at 374p, after 378p. Renewed support lifted Telephone Rentals 8 more to 176p and Muirhead 13 further to 264p, while other recent high-fliers to make headway included AB Electronic, 7 up at 180p and Eurotherm, 5 dearer at 325p. Petbow responded to favourable Press mention with a rise of 6 to 90p.

John Brown were good again on renewed investment demand and touched 456p before closing at 454p for a rise of 10. Elsewhere in the Engineering leaders, Vickers also met buying interest at 180p, up 4, while GKN improved a similar amount to 242p and Hawker hardened a few pence to 222p. Selective support was forthcoming for secondary issues. Revived demand in an extremely thin market lifted Bullough 20 to 230p, while gains of 5 were recorded in Martonair, 207p, McKechnie Bros., 101p, Simon Engineering, 271p, and Staveley, 283p. Birmid Qualcast firmed 3½ to 58p following the full report and Victor Products hardened 2 to 142p in response to the interim results. News of the £11.4m order for high-speed draw texturing machines prompted a gain of 3 to 110p in Stone-Platt, while Moss Engineering improved a penny to 90p following the company's letter to shareholders giving reasons for rejecting GEI's bid. By way of contrast, Manganese Bronze became a weak market at 59p, down 11, on the sharp fall in the interim profits.

Rumours of an imminent bid for the company prompted speculative buying of Bishop's Stores: the Ordinary rose 23 to 178p and the A shares put on 15 to 115p. Glass Glover gained 6 to 33p following an investment recommendation. Among leading Foods, a Press suggestion of a property revaluation lifted J. Sainsbury 13 to 263p and, ahead of the annual results due next Tuesday, J. Bibby firmed 8 for a two-day rise of 16 to 336p.

A. Arenson jump

Higher initially in sympathy with a fresh upsurge in Gilt-edged securities, miscellaneous Industrial leaders later faltered to close mixed. Beecham added 8 to 645p, after 648p, and Metal Box rose 4 to 328p, while Reed International, helped by Press comment, firmed 3 to 178p. Nervousness in front of today's annual results prompted a fall of 3 to 160p in Turner and Newall, while Bowater cheapened 4 to 195p. Elsewhere, an investment recommendaton attracted buyers to A. Arenson which closed 21 better at 107p and Caplan Profile, which were tipped last week, gained 15 more to 187p. The announcement that Iran is to stand by its foregn commitments helped Bath and Portland advance 6 to 52p, while renewed support in a thin market prompted a rise of 13 to 150p in Finlas and BTR continued firmly at 366p, up7. Small buying ahead of Thursday's interim results left Stocklake a couple of pence dearer at 66p and Dobson Park, at 111p, recorded a Press-inspired improvement of 5. Still unsettled by a Press report that their 10 per cent commission charges are under attack, Sothebys ran into further selling and fell 20 more to 340p. Awaiting further news of the bid talks which are currently taking place with RFD, Lindsay and Williams gave up 5 to 106p.

Press suggestions of a bid from Ladbroke prompted early firmness in Management Agency and Music which touched 168p before the former's denial of bid intentions clipped the price back to 160p for a net gain of 4. In Televisions, acquisition news lifted LWT A 7 to 149p.

Interest in the Motors sector centred mainly around Fodens which, with the aid of Press comment, rose 5 to 55p, after 58p.

A combination of hopes for lower interest rates, and rising asset values and rents prompted further active demand for Properties, but a subsequent bout of profit-taking considerably pared early gains. Press comment highlighting bid possibilities lifted Bernard Sunley 5 to 323p, and hopes of counter-bid to Olympia and York Development's 60p per share cash offer prompted a gain of a penny to 62p in English Property. Certain secondary issues maintained the firm trend with Daejan, 140p, and County and District, 168p, both 10 to the good. Imry, in a restricted market, pushed up 15 for a two-day gain of 50 to 550p.

BP up again

Another brisk trade in the Oil leaders saw British Petroleum touch a new peak of 1060p before settling at 1056p for a rise of 14. Awaiting Thursday's preliminary results, Shell closed 4 to the good at 658p, after 660p. Among secondary issues, Ultramar became a volatile market following weekend Press mention and touched 270p before closing only 3 dearer at 265p.

Among Shippings, P. and O. Deferred were actively traded and touched a 1978-79 low of 70½p before settling at 72p, down 2 on balance. Revived demand lifted Milford Docks 7 to 182p.

Selective buying interest was shown in Textiles. Tomkinsons closed 9 to the good at 68p, after 70p, in response to week-end Press mention, while Sirdar, 119p, and Nottingham Manufacturing, 131p, improved 2 apiece for a similar reason. The encouraging tenor of the chairman's annual statement prompted a rise of 5 to 134p in Allied.

Further buying on the Sime Darby bid situation helped Guthrie touch 520p before a close of 18 up at 518p: this compares with Sime's alternative cash bid of about 524p. Elsewhere, HME put on 7 to 151p, after 152p, in response to an investment recommendation.

Golds under pressure

Renewed pressure on the bullion price—finally $8.75 lower at $238.25 per ounce—following reports that the Chinese are to withdraw from Vietnam, coupled with a fall in the investment premium, prompted a shake-out in the gold share market.

The Gold Mines index dropped 8.1 to 161.2, its sixth consecutive daily fall, while the ex-premium index was 3.5 off at 113.9.

After being marked down at the outset, prices came under substantial selling pressure from Johannesburg, the Continent and London. The absence later of any heavy American offerings tended to steady the market which subsequently ended a fraction above the day's lowest levels.

Nevertheless, heavyweights were left showing losses of up to £1½, as in Randfontein, £28¾, while West Driefontein gave up £1¼ at £20¾ and Western Holdings a point at £18¾.

In the medium-priced issues, East Driefontein dropped 60 to 680p, Buffels 59 to 795p and Western Deep 50 to 742p. St. Helena held up well, however, to close only 12 easier at 913p in front of the interim dividend which is expected on Friday along with those of Union Corporation's Evander producers.

South African Financials mirrored Golds although there were one or two notable exceptions. Union Corporation hardened 2 to 348p, after 350p in front of the 1978 results which are due today, while General Mining, with results due on Wednesday, rose 7 to 447p.

On the other hand De Beers continued to lose ground in front of today's figures and the shares dropped 14 more to 450p. "Anamint" fell £2 to £45¼ in sympathy with the latter.

The fall in the premium was the major influence in the overall weakness in Australians. MIM Holdings gave up 5 to 280p and Western Mining a similar amount to 184p.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb. 20	Mar. 5	May 17	May 30
Mar. 6	Mar. 19	May 31	Jne. 12
Mar. 20	Apr. 2	Jne. 14	Jne. 26

For rate indications see end of Share Information Service

Stocks favoured for the call included Spillers, Burmah Oil, Siebens (UK), NatWest Warrants, Marley, Fitch Lovell, Tesco, P. and O. Deferred, Town and City Properties, Turner and Newall, K.O. Boardman, S. Sherman, Northern Mining, Associated Fisheries, Talbex, Bernard Matthews, M. F. North, Whessoe, Hawker Siddeley, Fodens and Bowthorpe. British Petroleum and Burton Warrants were dealt in for the put, while doubles were arranged in Burton Warrants, Town and City Properties, P. and O. Deferred and Spillers.

FINANCIAL TIMES STOCK INDICES

	March 5	March 2	March 1	Feb. 28	Feb. 27	Feb. 26	A year ago
Government Secs.	71.57	71.40	70.18	70.60	69.94	68.05	74.90
Fixed Interest	72.25	71.12	70.41	70.94	69.90	68.23	77.27
Industrial	484.6	484.6	476.1	481.8	479.6	468.8	442.8
Gold Mines	161.2	169.3	171.7	176.8	178.0	181.0	161.2
Gold Mines(Ex-$ pm)	113.9	117.4	119.0	120.5	119.2	120.9	119.0
Ord. Div. Yield	5.79	5.81	5.92	5.87	5.91	6.05	6.10
Earnings, Y'ld % (full)	15.13	15.19	15.47	15.34	15.46	15.80	17.93
P/E Ratio (net) (*)	8.57	8.53	8.38	8.45	8.39	8.20	7.82
Dealings marked	6,734	5,859	6,498	7,528	6,906	6,146	4,177
Equity turnover £m.	—	—	136.93	150.41	128.19	98.18	46.30
Equity bargains total	—	—	18,950	25,282	21,792	17,480	11,098

10 am 487.7. 11 am 486.8. Noon 488.2. 1 pm 487.1. 2 pm 486.5. 3 pm 485.9.

Latest Index 01-246 8026.

* Nil = 8.32

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (6/1/78)	64.64 (6/2/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	65.77 (12/2/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8/78)	124.1 (23/11/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	132.3 (14/8/78)	90.3 (18/4/79)	337.1 (3/4/74)	54.3 (26/6/76)

S.E. ACTIVITY

	March 5	March 2
—Daily		
Gilt Edged	164.9	167.1
Industrials	235.5	194.4
Speculative	37.0	48.0
Totals	153.3	133.4
5-d'y Av'r'ge		
Gilt Edged	178.1	197.8
Industrials	225.2	216.5
Speculative	46.4	47.7
Totals	150.3	147.1

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
BP	£1	17	1,056	+14	1,060	720
Guthrie Corp.	£1	14	518	+18	525	211
ICI	£1	13	390	—	421	328
Grand Met.	50p	12	135	+1	136	87
P. & O. Defd.	£1	12	72	−2	118	70½
Shell Transport	25p	12	658	+4	658	484
Barclays Bank	£1	11	423	−7	438	296
GEC	25p	11	355	−4	359	233
Lloyds Bank	£1	10	313	−9	328	242
Status Discount	10p	10	293	+13	297	121
European Ferries	25p	9	147	−5	152	99
MFI Furniture	10p	9	290	+10	315	54
Midland Bank	£1	9	393	−9	408	330
Rank Org. 'New'	Nil/pd.	9	32pm	−1	40pm	7pm
Sotheby P.B.	25p	9	340	−20	400	175

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (236)

BRITISH FUNDS (7)
CORPORATION LOANS (2)
FOREIGN BONDS (1)
BANKS (8)
BEERS (10)
BUILDINGS (19)
CHEMICALS (3)
DRAPERY & STORES (15)
ELECTRICALS (10)
ENGINEERING (10)
FOODS (7)
HOTELS (7)
INDUSTRIALS (35)
INSURANCE (1)
LEISURE (27)
MOTORS (2)
NEWSPAPERS (2)
PAPER & PRINTING (4)
PROPERTY (58)
SHOES (3)
TEXTILES (5)
TOBACCOS (1)
TRUSTS (13)
OILS (9)
OVERSEAS TRADERS (1)
RUBBERS (4)
TEAS (2)
MINES (4)

NEW LOWS (6)

ELECTRICALS (1)
EMI
INDUSTRIALS (3)
Borg-Warner Monsanto 5pc '82-85
Hestair
SHIPPING (2)
Ocean Transport P. & O. Defd.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	62	5	11
Corpns., Dom. and Foreign Bonds	38	—	38
Industrials	565	205	795
Financial and Prop.	265	34	211
Oils	15	6	17
Plantation	12	4	16
Mines	17	79	44
Recent Issues	11	2	19
Totals	985	335	1,08[illegible]

APPOINTMENTS

Berec Group chief executive

Mr. Colin Gardner Stapleton, currently deputy chief executive of the Berec Group, has been appointed chief executive. Mr. Lawrence D. Orchard, hitherto chairman and chief executive, continues as non-executive chairman for the time being.

★

Mr. Dennis Ford has been made president and chief executive of BARCLAYS BANK of California, with effect from June 10. Mr. Ford, at present assistant general manager, planning, Barclays Bank International, will be taking over from Mr. Douglas Wray, who is retiring. Mr. Allen, at present chief manager of Barclays International's Old Broad Street branch, will succeed Mr. Ford as assistant general manager, planning, from April 2.

★

Mr. William J. Alley has been elected to the Board of directors of AMERICAN BRANDS Inc. He is chairman and president of the Franklin Life Insurance Company, which American took complet control of on February 14 through the merger of FDS Holding Company.

★

Mr. Thomas H. Elrod, vice-president and general manager, Data Systems operations division, and Mr. Ralph Gabal, vice-president and general manager, peripherals division, have been promoted to senior vice-presidents of PERTEC COMPUTER CORPORATION. Mr. B. Lay has resigned his post as senior vice-president.

★

Mr. Robert Wiper and Mr. Terence Bulmer have been appointed directors of HOULTS.

★

Mr. Peter Edgley is joining the KENT MESSENGER GROUP as managing director of its newspaper publishing and printing division (South Eastern Newspapers) in May. He is at present managing director of King and Hutchings (Middlesex County Press Group) division of Westminster Press.

★

CHEMETRON, a subsidiary of Tube Turns—a member of Allegheny Ludlum Inc., has made the following appointments: Mr. Charles Mathieson has been elected financial controller and company secretary of Clyde Tube forging division, Glasgow, and Kirk division, Pontyclum, Wales; Mr. Glenn Miller has become manufacturing manager of Clyde Tube forgings division; while Mr. Allan P. McHale has joined Tube Turns as sales and marketing director.

★

Mr. E. Rieck is appointed senior vice-president of RAMADA HOTELS INTERNATIONAL. He has overall responsibility for operations, marketing and development of the group in Europe and the Middle East. He operates from Brussels. Mr. Werner Braum is appointed vice-president responsible for the development side of the international group as well as for co-ordination and development in the rest of the world. Mr. Braum is based in Brussels. Mr. Frans Ven is appointed vice-president with responsibilities for the control, accounting and administrative side. Mr. Dan Mosczytz is appointed vice-president, Southern Europe, and Mr. Dieter Schmid is appointed vice-president, Northern Europe. They will be responsible for hotel operations as well as development activities in their respective area.

★

Mr. D. J. A. Craig and Mr. A. W. Moysey have become directors of CIBC, an international investment bank owned jointly by Canadian Imperial Bank of Commerce and Hambros.

★

Mr. David H. Dansie and Mr. George H. Tymms have been appointed directors of ROOKE TAYLOR COOMBE.

★

Mr. Terence Conran, chairman of Habitat Design Holdings and Conran Associates design group, has joined the Board of J. HEPWORTH AND SON, Leeds-based menswear group, as a non-executive director.

TERENCE CONRAN

★

Mr. H. Astley Whittall has joined the Board of RANSOMES SIMS AND JEFFERIES as a non-executive director.

★

Mr. Joseph S. Barsa has been elected president of MAI INTERNATIONAL CORPORATION. He succeeds Mr. Jorge A. Amador, who has resigned to return to Costa Rica.

★

Mr. K. B. A. HART has been appointed managing director of the marine division of HARTLEY COOPER AND COMPANY.

Mr. Peter Allars, Grantham-based area manager for Shepherd Construction, has been appointed president (from March 23) of the Nottingham Association of the NATIONAL FEDERATION OF BUILDING TRADES EMPLOYERS.

★

Three executive directors have been appointed by ROBERT BOSCH PACKAGING MACHINERY (UK). Mr. Alan Jolly becomes sales director of the company's food and confectionery divisions (previously sales manager). Mr. Peter Teague, sales manager of the pharmaceutical division, becomes sales director. Company secretary Mr. Robert Falkner has been appointed finance director.

★

Mr. Douglas R. Harvey becomes director general of the UNITED KINGDOM PETROLEUM INDUSTRY ASSOCIATION after his retirement from the Board of Texaco, in May.

★

A new professional project management company, MERIDIAN INTERNATIONAL, has been formed by three ex-Bovis Construction directors and an industrial designer. They are Mr. R. G. Clark (chairman and joint managing), Mr. K. R. Crellin (joint managing), and Mr. E. H. Braddon, together with Mr. T. Addison.

★

Mr. A. D. Dunlop, managing director, Flight Refuelling Electronics has been appointed to the Board of FLIGHT REFUELLING (HOLDINGS).

★

Mr. Robert Colvill has been appointed a vice-president of CHEMICAL BANK, with responsibility for investment management activities in London. Mr. Colvill was formerly a director of Samuel Montagu and Co. He will be based at Chemical Bank International.

★

RIBA SERVICES has appointed Mr. Peter Murray—at present editor of Building Design—to the newly-created post of publisher and editor of the RIBA Journal, from June 1.

★

Mr. H. Peter Uebe has been appointed deputy director of the MARYLAND department of economic and community development, European office, Brussels. He will be responsible for assisting European companies interested in investing in the U.S., as well as helping Maryland firms to expand in Europe. He has extensive knowledge of both European and U.S. markets, having been senior research consultant with the Economist Intelligence Unit (Europe) and, prior to that, deputy director of the European office, New York State department of Commerce.

★

Mr. John K. Stone has joined the Board of VANBRUGH LIFE ASSURANCE as marketing director. Mr. James W. Findlay has been appointed director and investment manager, replacing Mr. Brian Medhurst, who has resigned from the Board to take additional responsibilities within the Prudential Group.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct Closing offer	Oct Vol.	Equity close
BP	900	162	2	182	—	200	—	1054p
BP	950	112	—	135	1	155	—	"
BP	1000	62	35	97	10	122	—	"
BP	1050	28	16	68	2	85	10	"
Com. Union	140	21	13	24	9	29	—	160p
Com. Union	160	7	11	11	86	16	—	"
Cons Gold	200	13½	67	18½	4	25	—	204p
Cons Gold	220	4	422	10	—	17	—	"
Courtaulds	100	13½	1	16	—	17½	—	111p
Courtaulds	120	2	5	4½	—	7	—	"
Courtaulds	130	4	5	2	—	—	—	"
GEC	280	82	5	—	—	—	—	356p
GEC	300	62	24	75	25	85	2	"
GEC	330	34	20	51	—	61	—	"
GEC	360	13½	65	31	129	41	—	"
Grand Met.	100	36½	10	40½	—	42	—	136p
Grand Met.	110	26½	2	30½	4	32	—	"
Grand Met.	120	16½	30	21½	16	25	—	"
Grand Met.	130	8	170	15½	95	20	10	"
ICI	330	68	12	79	—	87	—	390p
ICI	360	39	4	50	—	58	—	"
ICI	390	14	35	30	5	36	5	"
ICI	420	4	26	14	40	—	—	"
Land Secs	240	50	—	55	—	62	2	284p
Land Secs	260	30	19	38	—	46	—	"
Land Secs	280	14	21	24	55	33	2	"
Marks & Sp	70	24	—	26	8	—	—	92p
Marks & Sp	80	14½	2	17	—	20	—	"
Marks & Sp	90	6	2	10	30	12½	—	"
Marks & Sp	100	1¾	14	—	—	—	—	"
Shell	600	60	9	87	—	95	—	658p
Shell	650	23	11	48	2	63	—	"
Totals			1057		522		29	
		May		August		November		
BOC Intl.	70	6	1	7	—	9½	—	72p
Boots	220	5½	2	10½	4	—	—	202p
EMI	120	8	1	13½	5	15	4	115p
EMI	130	4	34	8	25	12	—	"
EMI	140	2½	21	4½	10	6	—	"
EMI	160	1	5	2	2	—	—	"
ImperialGP	90	6	—	9	46	10	2	92p
RTZ	260	45	3	51	—	—	—	295p
RTZ	280	31	5	38	—	51	—	"
RTZ	300	20	7	30	—	39	—	"
Totals			77		94		6	

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p:	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
65	F.P.	20/2	149	66	Caledonian Hldgs.	149	+1	b7.3	1.6	7.3	12.7
"	F.P.	16/2	150	118	Hunting Assoc. Defd.	150	+5	—	—	—	—
"	F.P.	9/2	41	31	M.Y. Dart Defd.	41	......	—	—	—	—
95¶¶	F.P.	—	105	97	Sedgwick F.New10p	104	−1	T5.0	2.1	7.2	9.7

FIXED INTEREST STOCKS

Issue Price	Am'unt Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price	+ or −
¶¶	F.P.	16/2	109p	102p	Assoc. Dairies 9¼% Pref.	104p	+1
¶	F.P.	23/2	55p	53p	Chepstow Race'e 5% Cnv. Uns. Ln. 1988	55p	......
‡100p	F.P.	28/12	100½p	98p	Findlay 8% Cnv. Cum. Red. Prf.	100p	......
98	£10	—	10¼	9¼	Mid-Southern Water 8% Red. Pref 1984	10¼	+½
100p	F.P.	11/1	108p	100½p	Rivington Reed 9½% Cnv. Cum. Red. Pref.	108p	......
"		9/3	98p	95p	Shaw Carpets 10% 2nd Cum. Pref. £1	98p	+1

"RIGHTS" OFFERS

Issue Price p:	Am'unt Paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1978/9 High	1978/9 Low	Stock	Closing price p:	+ or −
125	F.P.	9/2	23/3	171	154	Baker Perkins	162	+2
C$21½	Nil	—	—	24pm	17pm	Bank of Nova Scotia	17pm	−2
60	F.P.	6/3	27/4	80	66	Burco Dean	80	+4
220	F.P.	14/2	6/4	288	238	Haslemere Estates	288	+4
60	F.P.	—	—	67	62	Hawkins & Tipson	67	......
33	Nil	—	—	9pm	5pm	Hirst & Mallinson	9pm	+4
185	Nil	—	—	40pm	33pm	Johnson Matthey	33pm	......
67	Nil	7/3	20/4	16pm	7½pm	Macpherson (D.)	16pm	......
58	F.P.	26/2	26/3	66	61	Montfort	61	......
225	Nil	12/3	20/4	40pm	7pm	Rank Org.	32pm	−1
59	Nil	—	—	16pm	14pm	Redman Heenan	16pm	.. ..
27	Nil	14/3	26/4	10pm	8pm	Sekers Intl.	9pm	......
18	F.P.	14/2	14/3	26¾	23	Swan Ryan Intl.	26¾	......
315	Nil	12/3	2/4	45pm	28pm	Taylor Woodrow	42pm	+2

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend. Cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Mon., March 5, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Fri., Mar. 2 Index No.	Thurs., Mar. 1 Index No.	Wed., Feb. 28 Index No.	Tues., Feb. 27 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	243.15	+0.4	16.63	5.50	8.17	242.09	237.95	239.11	237.59	198.31
2	Building Materials (28)	217.03	+0.4	17.66	6.05	7.79	216.08	213.13	213.99	212.76	167.18
3	Contracting, Construction (28)	361.51	+0.4	21.27	5.64	6.62	359.91	358.36	360.69	356.07	289.39
4	Electricals (15)	584.42	−0.7	13.19	3.25	10.38	588.78	568.43	573.12	573.28	414.58
5	Engineering Contractors (12)	374.50	+1.6	17.98	6.04	7.52	368.59	366.37	367.49	366.00	278.95
6	Mechanical Engineering (73)	186.49	+1.1	17.79	5.99	7.49	184.51	182.46	182.83	180.48	158.63
8	Metals and Metal Forming (16)	165.53	+1.4	16.78	8.85	8.00	163.28	162.19	162.87	162.07	154.98
	CONSUMER GOODS										
11	(DURABLE) (53)	221.19	+0.9	16.24	4.87	8.21	219.10	217.38	218.45	217.67	174.59
12	Lt. Electronics, Radio, TV (16)	292.65	+1.5	13.28	3.57	10.57	288.37	286.49	287.18	287.28	210.54
13	Household Goods (12)	159.47	+0.1	18.61	6.86	7.43	159.35	158.72	161.90	160.62	180.54
14	Motors and Distributors (25)	119.86	+0.1	21.69	7.06	5.77	119.77	118.41	119.20	117.96	105.72
	CONSUMER GOODS										
21	(NON-DURABLE) (170)	225.02	+0.8	15.54	5.78	8.46	223.34	219.95	221.90	219.27	181.78
22	Breweries (14)	238.75	+2.0	15.99	6.30	7.93	234.17	232.49	236.03	232.88	207.18
23	Wines and Spirits (6)	318.07	+0.2	14.61	4.69	10.06	317.57	310.80	314.91	310.66	233.66
24	Entertainment, Catering (17)	299.04	+0.1	14.73	6.33	8.97	298.80	292.34	299.10	298.58	226.31
25	Food Manufacturing (19)	212.80	+0.3	17.66	5.22	7.55	212.09	209.65	210.61	207.81	176.23
26	Food Retailing (15)	257.41	+1.5	12.54	4.58	10.85	253.69	251.30	252.78	250.71	176.35
32	Newspapers, Publishing (12)	403.15	+0.5	20.34	6.07	6.97	401.23	399.39	398.12	398.21	276.91
33	Packaging and Paper (15)	143.99	+0.2	17.58	7.32	7.42	143.65	140.36	140.89	138.84	121.07
34	Stores (40)	209.64	+0.8	11.68	4.54	12.26	208.00	204.13	205.35	203.02	168.77
35	Textiles (23)	178.57	+0.3	18.14	8.52	7.14	178.01	175.89	177.02	175.84	162.31
36	Tobaccos (3)	262.78	+1.0	21.68	7.83	5.30	260.12	256.59	259.16	257.51	223.51
37	Toys and Games (6)	93.58	−0.2	23.71	6.94	4.97	93.75	94.52	94.07	93.28	93.86
41	OTHER GROUPS (99)	207.65	+0.5	14.81	6.09	8.69	206.64	203.70	205.31	204.72	174.61
42	Chemicals (18)	298.18	+0.4	14.85	6.55	8.72	297.05	291.29	294.39	295.49	242.47
43	Pharmaceutical Products (7)	255.64	+0.7	10.87	4.55	11.15	253.93	250.81	253.68	251.84	229.68
44	Office Equipment (6)	136.79	+1.5	14.77	5.94	8.53	134.81	132.07	134.48	135.94	120.30
45	Shipping (10)	414.65	−2.1	14.59	7.33	8.70	423.71	426.65	421.24	418.58	417.81
46	Miscellaneous (58)	225.71	+0.7	17.24	6.38	7.65	224.05	221.19	222.22	220.15	179.94
49	INDUSTRIAL GROUP (494)	232.23	+0.6	15.69	5.72	8.42	230.79	227.35	229.03	227.27	187.69
51	Oils (6)	589.82	+1.0	11.84	3.41	9.18	583.89	574.51	574.87	572.84	422.93
59	500 SHARE INDEX	261.48	+0.7	15.05	5.33	8.54	259.70	255.78	257.38	255.58	207.35
61	FINANCIAL GROUP (115)	187.84	+0.1	—	5.34	—	187.70	182.62	182.92	181.57	157.11
62	Banks (6)	227.66	−1.5	27.31	5.24	4.87	231.22	222.39	223.48	222.67	178.79
63	Discount Houses (10)	236.74	+1.3	—	7.80	—	233.68	232.22	236.10	234.63	191.65
64	Hire Purchase (5)	174.24	+1.7	18.34	5.05	7.00	171.40	168.33	170.83	169.63	140.79
65	Insurance (Life) (10)	138.39	+2.0	—	6.79	—	135.72	133.17	133.72	133.11	128.94
66	Insurance (Composite) (7)	130.88	+0.1	—	7.09	—	130.80	126.94	126.14	125.90	123.88
67	Insurance Brokers (10)	317.93	−0.2	15.65	6.05	9.16	318.46	313.57	313.02	307.87	319.51
68	Merchant Banks (14)	83.90	+0.9	—	5.98	—	83.18	81.98	82.27	81.02	71.74
69	Property (43)	325.58	+1.1	3.29	2.50	48.74	322.18	313.58	314.46	310.14	225.35
70	Miscellaneous (10)	118.55	+0.6	19.06	6.68	6.53	117.83	117.75	118.24	116.75	101.19
71	Investment Trusts (111)	216.44	+1.2	—	5.06	—	213.96	213.68	213.85	211.43	176.48
81	Mining Finance (4)	123.93	−0.9	15.17	5.75	8.12	125.06	123.98	124.84	124.57	85.39
91	Overseas Traders (20)	346.53	+0.3	14.07	7.08	9.04	345.57	342.61	342.47	336.64	263.07
99	ALL-SHARE INDEX (750)	241.57	+0.6	—	5.37	—	240.21	236.35	237.52	235.76	192.91

FIXED INTEREST PRICE INDICES

	British Government	Mon., Mar. 5	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	105.01	+0.27	—	1.87
2	5-15 years	115.78	+0.27	—	1.23
3	Over 15 years	120.52	+0.27	—	2.24
4	Irredeemables	133.28	+0.31	—	1.78
5	All stocks	113.17	+0.27	—	1.88

FIXED INTEREST YIELDS

	Br. Govt. Av. Gross Red.		Mon., Mar. 5	Fri., Mar. 2	Year ago (approx.)
1	Low Coupons	5 years	9.24	9.36	7.82
2		15 years	10.91	10.97	10.07
3		25 years	11.66	11.69	10.53
4	Medium Coupons	5 years	11.71	11.78	9.88
5		15 years	12.22	12.29	11.07
6		25 years	12.34	12.31	11.23
7	High Coupons	5 years	12.07	12.19	10.52
8		15 years	12.71	12.76	11.96
9		25 years	12.83	12.82	12.04
10	Irredeemables		11.04	11.07	10.38

		Mon. March 5 Index No.	Mon. March 5 Yield %	Fri. Mar. 2	Thur. Mar. 1	Wed. Feb. 28	Tues. Feb. 27	Mon. Feb. 26	Fri. Feb. 23	Thur. Feb. 22	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	53.84	‡13.76	53.51	53.46	52.87	52.07	51.97	51.61	51.53	60.59
16	Investment Trust Prefs. (15)	49.89	14.09	49.80	49.80	49.80	49.25	49.25	48.01	48.68	56.93
17	Coml. and Indl. Prefs. (20)	69.78	13.46	68.69	68.69	68.53	69.25	68.30	67.64	68.27	75.92

‡ Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

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INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly...	22	......	—	—
41	33	Do. 5pc Pref......	40	......	—	—
98	98	Chilean Mixed......	98	......	—	13.10

BONDS & RAILS—Cont.

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 41⅛% (based on US$2.0225 per £).
Conversion factor 0.7054 (0.6933)

CANADIANS

[illegible]

S.E. List Premium 41⅛% (based on $2.3948 per £)

BANKS AND HIRE PURCHASE

[illegible]

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

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[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

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[illegible]

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[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

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HOTELS AND CATERERS

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EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

MINES—Continued

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
74	35	Barymin	66	......	—	—	—
17	9	Burma Mines 17½p	11	......	—	—	—
345	165	Cons. Murch. 10c.	340	−5	—	—	—
465	245	Northgate C$1	375	−5	—	—	—
299	164	R.T.Z.	295	−2	9.5	2.8	4.8
90	30	Sabina Inds. C$1	56	......	—	—	—
£12	687	Tara Exptn. $1	812	−13	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or −	Div.	Cvr	Yld
$15¼	$10¼	Buffels R1	$11¼	−¼	Q190c	ϕ	19.4
$11¼	890c	East Drie R1	975c	−62	Q115c	ϕ	13.6
585c	390c	East Rand Prp. R1	420c	......	Q10c	—	—
$28⅝	$16½	F.S. Geduld 50c	$22	−¼	Q315c	2.4	16.4
$15⅛	975c	Pres. Brand 50c	$13	−¼	Q150c	3.2	13.2
$13⅝	900c	St. Helena R1	$13	......	Q190c	1.4	16.8
550c	313c	Stilfontein 50c	522c	−13	Q66c	2.3	14.5
$23⅞	$16¼	Vaal Reefs 50c	$22⅛	−¼	Q280c	ϕ	14.5
$37	$25	West Drie R1	$29¾	−1¼	†Q385c	1.7	14.9
$31¼	$19	West Hldgs. 50c	$27	−⅞	Q415c	1.9	17.7
$13	895c	Western Deep R2	$10½	−⅝	Q147½c	2.4	16.1

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution: bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganization in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ∥ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 30

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......
Ash Spinning	106	......
Bertam	22	......
Bdg'wtr. Est. 50p	365	+18
Clover Croft	28	......
Craig & Rose £1	710	......
Dyson (R. A.) A	36	......
Ellis & McHdy	69	......
Evered	26	......
Fife Forge	52	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	127	......
Higsons Brew	75	......
Holt (Jos) 25p	260	......
I.O.M. Stm. £1	282	−8
Pearce (C. H.)	200	......
Peel Mills	25	......
Sheff. Refrshmt	74	......
Sindall (Wm.)	120	......

IRISH

Conv. 9% '80/82	£91½	+1¼
Alliance Gas	111	......
Arnott	400	......
Carroll (P.J.)	107	......
Clondalkin	94	......
Concrete Prods.	145	+10
Helton (Hldgs.)	59	......
Ins. Corp.	180	......
Irish Ropes	180	......
Jacob	50	......
T.M.G.	210	+5
Unidare	82xd	+¾

OPTIONS
3-month Call Rates

Industrials

A. Brew	6½
BOC Intl.	6
B.S.R.	8
Babcock	11
Barclays Bank	25
Beecham	32
Blue Circle	18
Boots	15
Bowaters	14
B.A.T.	24
Brown (J.)	33
Burton 'A'	16
Cadburys	5
Courtaulds	10
Debenhams	8
Distillers	15
Dunlop	5
Eagle Star	10
E.M.I.	14
Gen. Accident	17
Gen. Electric	18
Glaxo	40
Grand Met.	7½
G.U.S. 'A'	20
Guardian	18
G.K.N.	22
Hawker Sidd	20
House of Fraser	12
I.C.I.	20
"Imps"	6
I.C.L.	40
Inveresk	7
KCA	3
Ladbroke	14
Legal & Gen.	14
Lex Service	7
Lloyds Bank	22
"Lofs"	4
London Brick	6
Lonrho	5
Lucas Inds.	25
"Mams"	12
Mrks. & Spncr	7
Midland Bank	25
N.E.I.	12
Nat. West. Bank	22
Do. Warrants	10
P & O Dfd.	7
Plessey	8
R.H.M.	5
Rank Org.	18
Reed Intnl.	12
Spillers	3½
Tesco	4
Thorn	22
Trust Houses	£18
Tube Invest.	30
Unilever	35
U.D.T.	4
Utd. Drapery	7½
Vickers	15
Woolworths	5

Property

Brit. Land	3¼
Cap. Counties	4½
E.P.	3½
Intreuropean	5
Land Secs.	16
MEPC	12
Peachey	8
Samuel Props.	9
Town & City	1¼

Oils

Brit. Petroleum	45
Burmah Oil	8
Charterhall	2½
Shell	28
Ultramar	16

Mines

Charter Cons.	12
Cons. Gold	12
Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Tuesday March 6 1979

EEC plans short haul 'feeder' airliner

BY GILES MERRITT IN BRUSSELS

PROPOSALS FOR a £1bn European Community passenger aircraft project that could by the mid-1980s compete with U.S. manufacturers in the lucrative medium and short-haul "feeder" market have been drawn up by the Brussels Commission.

In a confidential report sent to the Council of Ministers, the Commission puts forward the possibility of Community financing being made available through the special Ortoli facility. The new funding mechanism set up at the turn of the year which could make loans worth £250m a year and raises the question of association in the project with Japan's aircraft industry.

The proposals also call for agreement by member governments and their national airlines on market requirements inside the EEC for the new generation of "feeder" aircraft which will begin to come into service after 1985. A working group of EEC government officials is to meet in Brussels this month to study the Commission report.

The commission plan deals with two potential aircraft—one with about 100 seats and a larger version for up to 160 passengers. Those concepts are elastic, however, and it is thought that a single project involving 130 to 160 seats—depending on configuration—would receive the widest support from European manufacturers.

Such a project would complement the 200-seater A310 planned by the Airbus Industrie consortium.

Commission officials concede that the shape of any new grouping of European aircraft manufacturers remains far from clear. At present both Britain and the Netherlands are committed to parallel programmes — the British Aerospace BA146 that is due to go into production by 1983 and Fokker's rival super F28 project.

Any new European consortium designed to rationalise the two projects before each passes the point of no return would have to be accepted speedily.

Output prices rising faster

By Peter Riddell, Economics Correspondent

THE BUILD-UP of labour and raw material cost pressures on industry is being reflected in a slightly faster rate of increase in the price of manufactured products.

However, wholesale price indices, published yesterday by the Department of Industry, suggest only a modest acceleration in the cost of living over the next few months.

Before allowing for present pay settlements, costs have been increased by higher raw material prices, partly offset by the recent strength of sterling.

The index of material and fuel costs rose 0.5 per cent last month to 151.1 (1975=100) for an increase of 8.75 per cent over the past 12 months.

WHOLESALE PRICES

1975=100		Raw Materials	Output (home sales)
1978	1st	140.2	149.2
	2nd	146.3	151.8
	3rd	144.9	154.8
	4th	147.1	157.3
	Oct.	145.7	156.6
	Nov.	147.3	157.1
	Dec.	148.3	158.3
1979	Jan.	154.0*	159.8*
	Feb.	151.1*	161.5*

* Provisional

Source: Department of Industry

Many world commodity prices, besides oil, have increased sharply since last summer. The index has consequently risen 4.8 per cent in the past six months, compared with 3.6 per cent in the previous half-year.

Those rises, with a 12 per cent increase in unit labour costs last year, have combined to push up the rate of increase of output prices charged at the factory gate to 4.3 per cent in the past six months, compared with 3.75 per cent in the previous halfyear. But industry's profit margins have been squeezed.

The price index for home sales of manufactured products increased in February by roughly 1 per cent to 161.5 (1975=100) for a rise of 8.25 per cent over the past 12 months. That compares with 7.75 per cent for the year to January.

That slight pick-up in the underlying and 12-month rates agrees broadly with the Price Commission index of notified increases.

Although the 12-month rate of retail price inflation, 9.3 per cent in mid-January, may return to double figures before the summer, any further acceleration is likely to be modest. Most economists believe that the 12-month rate should not exceed 12 per cent during 1979.

The index for materials other than crude oil rose 2 per cent. Further price increases for hides and skins were the most significant items. Prices of several metals also rose.

Output prices of non-food manufacturing companies rose 1½ per cent last month, a third of that in higher petroleum products prices.

Lower prices for home-landed fish and for coffee were mainly responsible for a ¾ per cent fall in the costs of food companies last month.

Continued from Page 1

Fed plan

general standards of strength, experience and reputation as required for domestic organisers of banks and bank holding companies."

It adds that its supervision concerns for the operations and activities of foreign banks outside the U.S. are therefore limited to their possible effects on the ability of those banks to support operations inside the U.S. It was not policy to extend U.S. bank supervisory standards extra-territorially.

Vietnam mobilises as China 'pulls out'

BY RICHARD NATIONS IN BANGKOK

CHINA said yesterday that she was pulling back her forces from Vietnam. This move to end the border conflict failed to win any response from Vietnam, which ordered a general mobilisation "to defeat the Chinese aggressors and protect national independence."

In an official statement by New China News Agency China said the forces had achieved their goals and that "from March 5 all Chinese frontier troops are withdrawing into Chinese territory."

Intelligence reports in Bangkok said that there were no convincing signs of a Chinese withdrawal.

Some diplomats in Peking quoted by Reuter suggested that timing of the announcement indicated that the bulk of the forces were already withdrawn.

Radio Hanoi, ignoring the Chinese statement, said the mobilisation order had been issued by President Ton Duc Thang. All men of military age were called upon to enlist. Vietnam has an estimated army of 615,000.

Western diplomats believe that the Chinese were serious in their intention to withdraw.

With only one of the five main-force Vietnamese divisions in the north, the 308th, partially committed to the battle, analysis say Hanoi has adequate forces to launch a major counter-attack to harass the Chinese retreat.

Warning

They believe it would be uncharacteristic of the Vietnamese to allow the Chinese to pull back at their leisure, particularly as the Vietnamese suspect that the Chinese might attempt to keep strategic parcels of territory they claim in the disputed border region.

A strong Vietnamese counter-attack, however, would provide Peking with the political justification, which some observers feel the Chinese are seeking, to wheel round and attack Vietnam's elite divisions.

Though the Chinese can claim considerable military success in the 17-day campaign by capture of strategic positions in the north of Lang Xon, Lai Chau and Cao Bang, they have not drawn Vietnam's main divisions into a major battle.

The Chinese statement warned Vietnam not to continue "armed provocation" along the border. "The Chinese Government solemnly states that the Chinese side reserves the right to strike back again in self-defence in case of recurrences of such Vietnamese activities."

Observers noted ambiguity in Peking's statement that "all its frontier forces" would withdraw to Chinese territory. It is the main-force units of the Chinese Army which are engaged in the fighting.

Editorial comment, Page 18

Britain agrees 'cab spy' talks

BY LYNTON McLAIN

THE GOVERNMENT will go ahead with consultations leading to introduction of the tachograph in goods vehicles over 3.5 tonnes gross weight, despite a storm of protest from Left-wing Labour MPs.

Mr. William Rodgers, the Transport Secretary, said in a Commons written reply yesterday that the Government accepted "reluctantly" the ruling by the European Court of Justice a month ago that Britain was in breach of her obligations under the Treaty of Rome.

But some Labour MPs said that they would oppose all Government attempts to bring regulations to implement the EEC law.

Miss Joan Maynard, MP for Sheffield Brightside, said the move was a "miserable capitulation by the Government."

Mr. Neil Kinnock, Bedwellty, who is sponsored by the Transport and General Workers' Union, which has consistently opposed the tachograph, said the Government had been in a position to resist or forbid implementation of the regulations.

Mrs. Renee Short, Wolverhampton North-East, forecast "terrible trouble as drivers regard the tachograph with absolute abhorrence."

Regulations equating the law with that of EEC tachograph regulation 1463/70 were to have been introduced by the Government by January, 1976. The machines record distance travelled; speed; driving time; work breaks; and rest periods.

Mr. Rodgers consistently opposed the regulation until yesterday. The Government view was that it had a good enforcement system for checking drivers' hours based on log books and spot checks.

The tachographs are likely to cost up to £200 each. Calibration fees, for ensuring that they meet a laid-down standard, will be about £10; and the total capital cost to hauliers will be about £100m.

Many hauliers fear they may have to pay drivers more money for accepting the tachograph. This is ruled out by the Government as, it says, the hauliers would only be obeying the law of the land.

Sime Darby raises stake in Guthrie to nearly 30%

BY JAMES BARTHOLOMEW

SIME DARBY Holdings, the Far East multinational conglomerate, took an important step yesterday towards winning its £153m takeover bid for Guthrie Corporation, the British plantations group.

It paid £15.5m to buy what could prove to be a crucial 10 per cent of Guthrie in the stock market, bringing its stake up to just under 30 per cent.

Sime Darby claimed that holders of another 10 per cent of Guthrie's shares were also willing to sell. But under the takeover rules Sime cannot buy more than 30 per cent of Guthrie until it has received approval for the bid from its own shareholders.

An extraordinary general meeting of Sime's shareholders is set for April 2 to approve the move. This could be moved forward if the company wants the go-ahead to buy more shares.

Many of the leading institutional shareholders have sold their Guthrie stakes to Sime. Save and Proper sold its holding of just under 4 per cent last week and funds managed by N. M. Rothschild or its associates are understood to have sold their 4 per cent yesterday.

Supporter

The big exception is M and G unit trust group, a fervent supporter of Guthrie, which yesterday actually bought 25,000 shares in Guthrie, bringing its stake up to 13.3 per cent.

M and G also sold 200,000 Sime Darby shares and said the prospect yield on Guthrie was good, but Sime shares were over-rated.

An unusual arrangement has helped Sime's renewed share buying. Sime had admitted last week that it could not afford to buy Guthrie for cash alone.

So the new offer made then was partly in Sime shares. Sime stopped buying Guthrie shares in the market once it had got to 20 per cent, greatly encouraged the Guthrie camp.

But now Sime has received legal counsel's approval to effectively buy Guthrie shares with a mixture of cash and Sime's own shares. The scheme is that a subsidiary, rather than Sime itself, will buy the Guthrie shares and then accept the bid from its parent.

The subsidiary must not receive shares of its own parent since that would be illegal. So the Sime shares allotted will go straight to underwriters who will give the subsidiary cash.

The Guthrie board will be taking its own legal advice on the arrangement to see if it really works, said Mr. Ian Coates, the managing director, yesterday. "The most ingenious schemes gang aft a-yley" he said.

Iran oil exports resume with a shaky start

BY ANDREW WHITLEY AND ANTHONY McDERMOTT IN TEHR AN

OIL EXPORTS from Iran, once the world's second largest exporter, resumed yesterday after a break of 68 days. The National Iranian Oil Company, also said that a production ceiling of between 3m and 4m barrels a day would be imposed shortly.

After the longest break since the 1953 nationalisation of the Anglo-Iranian Oil Company sales were resumed on a direct spot basis, ending the dominance of the BP-led consortium over Iranian oil.

There was a decidedly shaky start as the first day's earnings of $110m (£55m) was donated to oil workers' welfare to placate militant left-wingers still threatening to hold up output.

With losses on oil earnings approaching $8bn from the past five months' disruption in the oilfields, the financially pressed Government probably had little option but to resume exports now, and to put the best face on the matter.

Price

The first shipment was of 120,000 tons of heavy crude and 110,000 tons of light for the Japanese concern, Mitsui, at a negotiated price 50 per cent above current Organisation of Petroleum Exporting Countries levels. Mitsui is reported to have settled for $19 per barrel. The U.S. company Ashland, another regular customer for Iranian oil, is thought to have agreed prices slightly lower. BP is said to have had a bid for crude turned down.

Mr. Mohammed Ali Narvegh, deputy chairman of NIOC, said yesterday that Iran would prefer to conclude long-term contracts with reliable customers rather than continue selling its oil on the spot market.

Our Foreign Staff writes: Iraq has reached agreement with foreign oil companies by which they will pay it £55m in final settlement arising out of the nationalisation of the Basrah Petroleum Company in 1975, according to the Middle East Economic Survey. Th ecompanies involved include BP, Royal Dutch/Shell, CFP, Exxon and Mobil.

● In Abu Dhabi the director general of the Algerian national oil company Sonatrach said that his country was considering raising oil prices substantially from April 1, in excess of the scheduled OPEC increase coming into force then. Within the oil industry, it is said the rise for Algeria's light crude could be as much as 15 per cent.

Tehran eases business fears. Page 4.

Hattersley pay supremo

BY RICHARD EVANS, LOBBY EDITOR

MR. ROY HATTERSLEY, Prices Secretary, is to have the additional role of co-ordinating Government policy on wage claims throughout the public sector.

The Prime Minister has made the appointment in an effort to avoid any damaging political impact from competing public sector pay claims and differing responses from Government departments.

The role would normally be given to Mr. Denis Healey, Chancellor, but he will be too busy over the next month with a visit to preside at an IMF committee in Washington and then with preparations for the budget on April 3. He is also involved in talks with the TUC on the implementation of the Concordat.

The choice is seen as a feather in the cap of Mr. Hattersley, one of the most thrusting and politically astute of the younger generation of Cabinet Ministers.

There has been a belief in the Cabinet that some recent public sector wage claims, particularly in the National Health Service and local government, could have been handled better.

Among negotiations Mr. Hattersley will be concerned in are the electricity supply industry, railways, steel industry and the nurses.

Labour news, Page 10
Parliament, Page 11

Tories maintain pressure

BY OUR LOBBY EDITOR

THE CONSERVATIVES are maintaining maximum pressure on the Government to ditch its proposals to set up a Scottish assembly in Edinbugrh, but Ministers are in no hurry to reach a decision and an announcement on tactics is unlikely before next week.

Following a meeting of the shadow Cabinet at the Commons last night, Mrs. Margaret Thatcher, the Tory leader, issued a statement demanding that in view of the referendum results, the Government should lay the necessary orders repealing the Scotland and Wales Acts without delay.

Indications are that the Cabinet, which will have an initial discussion on Thursday, will be forced to abandon all hopes of implementing its devolution policy in this Parliament.

The chances are that the Parliamentary orders annulling the Scotland and Wales Acts because of the failure to achieve 40 per cent of the vote will be brought forward in a few weeks and a free vote will be allowed.

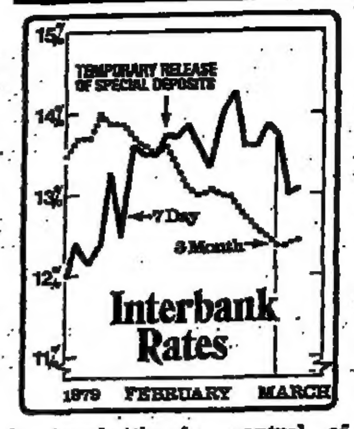
This is probably the most satisfactory way for the Government to get out from the humiliating position of seeing its policy rejected devastatingly by the Welsh electorate and endorsed by an impossibly small majority in Scotland.

Parliament, Page 11

THE LEX COLUMN

An uneven mix at Fisons

Index at 484.6 (same)



Yesterday's results from Fisons were reasuring inasmuch as there were no unpleasant surprises, such as the sharp drop in agrochemical profits which caught the stockmarket off guard at the interim stage and led to a drastic pruning of profit forecasts. Pre-tax profits in 1978 rose 12.3 per cent to £22.9m, a figure which could have been £2m higher but for currency movements and the introduction of a more conservative depreciation policy.

Since 1975 the company's shares have underperformed the market by over a third. Fisons itself might maintain that the City, having decided it was no longer dealing with a pharmaceutical growth stock, has not had the imagination to take the group on its own terms. Unfortunately, Fisons' divisions still do not form as balanced and self-supporting a structure as they are supposed to do.

The Pharmaceutical and agrachemical divisions are research-intensive consumers of cash which carry the burden of finding the new products that Fisons urgently needs. Yet they are still having to supply well over half total trading profits, and but for the atrocious first half in agrochemicals their proportion contribution would have been still higher. The two major stable, low investment centres, fertilisers and scientific equipment supposedly big cash producers, are under pressure from ICI, with its privileged access to cheap feedstock, and from American manufacturers of scientific equipment, able to take advantage of the cheap dollar.

For the second year running Fisons has shown a substantial net cash outflow — £6m, after £10m in 1977. Yet it is not as if the group has been having to gear up in order to develop a major new product line. The heavy research spending is a drain, but it is not high enough to guarantee the discovery of new products every few years.

On the research front, Fisons can only be patient, and hope that its strategy of trying to gain dominant market positions in specialised fields — scientific equipment, veterinary medicines, anti-allergic drugs assures it a reliable flow of earnings. The shares, which at 317p are 40p below their level of last September (after the poor interim results), do not look expensive, but then the 1979 prospects are not exciting. The yield is 6.9 per cent with a fully taxed p/e of around 10½.

Sime Darby/Guthrie

The scales are beginning to wobble in Sime Darby's favour in its battle for control of Guthrie. Yesterday it bought another 10 per cent for cash in the market, taking its holding up to nearly 30 per cent. Since it wants to use as much of its paper and as little of its cash as possible in the bid, it plans to accept its own underwritten cash offer in respect of these shares. That, one might think, will enrage the underwriters. Not so, says Sime: the underwriters were always aware that they were likely to have to take a lot of Sime shares on board.

Interest rates

Despite the half point cut in bank base rates and the cancellation of a one per cent tranche of special deposits, the gilt edged market was beginning to look rather jaded last night. Having been nearly £2 better initially, prices of long dated Government stock were only a £¼ higher by the close and equities lost most of their earlier gains.

Meanwhile, in the money markets the discount houses do not know quite what to make of the Bank of England's recent behaviour. Last Thursday, the Bank cut Minimum Lending Rate to 13 per cent and let it be known that it thought a period of stability should ensue. To underline this it lent at MLR to a number of discount houses for a week—usually a sure sign that it did not want rates to fall further. On Friday, everyone was expecting that it would follow this up with the announcement of a tap stock issue to control the gilt edged market. But nothing happened.

Yesterday, the authorities had another chance to announce a tap if they had wanted to, but they let the opportunity pass. Instead, they announced that they were cancelling a recall of special deposits due on Friday and also helped the discount market out in a way that did not embarass it. Together with [illegible] redemption of a short dated g[illegible] this should inject close to £700[illegible] into the financial system [illegible] more than cover the £4[illegible] which will be drained ou[illegible] the two calls on the [illegible] partly paid issues prior to [illegible] makeup day for the Ma[illegible] banking month.

While this will ease [illegible] pressure on the banks' rese[illegible] assets and prevent an e[illegible] barrassing rise in short te[illegible] interest rates the authoriti[illegible] decision to cancel, rather th[illegible] postpone, the recall of spec[illegible] deposits suggests that they [illegible] relaxing their financial g[illegible] slightly and are not particula[illegible] bothered about interest ra[illegible] falling further.

EEC investments

So far, only a handful [illegible] investment trusts have ma[illegible] use of the special facili[illegible] introduced last year for inve[illegible] ment in quoted forei[illegible] currency securities issued [illegible] European Economic Communi[illegible] institutions. But three funds [illegible] the Murray Johnstone gro[illegible] took this step yesterday, and [illegible] string more from the sa[illegible] stable will be following in [illegible] next few weeks. Long term, [illegible] group plans to build a sizea[illegible] commitment to this kind [illegible] investment.

Its thinking goes like [illegible] The dollar premium is [illegible] unsatisfactory investment; [illegible] has no intrinsic value, and [illegible] very volatile. Financing ove[illegible] seas investments by loans a[illegible] has big drawbacks. It provi[illegible] no real hedge against a fall [illegible] sterling, it can lead to a vic[illegible] squeeze if the value of the [illegible] falls, and it does not remove [illegible] exposure to the dollar prem[illegible]

Under the rules brought [illegible] last year, the trust borr[illegible] foreign currency to invest [illegible] the approved securities. Inter[illegible] on the loan can be met at [illegible] official exchange rate, and [illegible] Bank of England's rule th[illegible] cover should be maintained [illegible] equal to 115 per cent of th[illegible] value of the loan does not a[illegible] Most important, the loa[illegible] be repaid at the official r[illegible] five annual instalments.

So the trust winds up w[illegible] foreign currency asset [illegible] chased at the official rate. [illegible] this backing, Murray Johnst[illegible] then plans to borrow fur[illegible] foreign currency to invest i[illegible] overseas market of its ch[illegible] Its initial borrowing costs [illegible] 1 per cent more than it [illegible] back on the EEC security. [illegible] the group is happy to pay [illegible] in order to release funds fr[illegible] the dollar premium—whi[illegible] does not produce any income, and to increase its international exposure with the least possible risk.

Weather

UK TODAY

RAIN in most places. Generally windy with gales in many places. Max. 7C (45F).

London, S.E., E. England
Sunny intervals. Cloudy with rain at times.

Cent. S. England, Midlands, Cent. N. England
Rain at times. Clearer later with some showers.

Wales, Channel Isles, N.W. England
Gales in places. Rain at times.

The rest of Britain
Sunny intervals. Heavy showers. Wintry on hills.

● Outlook: Windy, with sunny intervals and showers. Becoming warmer.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	14	57	Lisbon	C	14	57
Algiers	C	14	57	Locarno	C	12	54
Amsdm.	S	7	45	London	S	9	48
Athens	S	16	61	Luxmbg.	C	2	36
Bahrain	S	20	68	Madrid	S	16	61
Barc'ina	F	15	59	Majorca	R	12	54
Beirut	S	19	66	Malaga	S	19	66
Belfast	R	7	45	Malta	C	14	57
Belgrd.	F	14	57	M'chstr.	C	8	46
Berlin	C	1	34	Melne.	R	17	63
Biarritz	C	10	50	Mex. C.	S	17	66
Bmghm.	F	8	46	Milan	F	14	57
Blackp'l	F	8	46	M'ntreal	C	7	45
Bordx.	C	9	48	Moscow	S	4	39
Boulgn.	S	6	43	Munich	C	8	46
Bristol	F	10	50	Nairobi	S	24	75
Brussels	S	9	48	Naples	F	16	61
B. Aires	S	25	76	Nwcstl.	F	8	46
Cairo	S	25	75	N. York	R	12	54
Cardiff	S	9	48	Nice	S	15	59
Cas'b'ca	S	16	61	Nicosia	F	19	66
Cape T.	S	22	72	Oporto	C	14	57
Chicago	C	−1	30	Oslo	S	7	45
Cologne	C	1	34	Paris	F	7	45
Cpnhgn.	S	4	39	Perth	S	33	91
Corfu	S	18	64	Prague	C	3	37
Dublin	C	9	48	Reykjvk.	C	−7	19
Dbrvnk.	F	15	59	Rio J'o	S	30	86
Ednbgh.	F	8	46	Rome	S	15	59
Faro	F	18	64	Salzb'rg	C	9	48
Florence	S	15	59	Singapr.	S	27	81
Frankf't	C	5	41	Stckhm.	C	6	43
Funchal	F	17	63	Strasbg.	C	5	41
Geneva	C	10	50	Sydney	C	22	72
Gibrltr.	S	19	66	Tangier	C	17	63
Glasgow	R	7	45	Tehran	S	8	46
G'nsey	C	8	46	Tel Aviv	F	19	66
Helsinki	C	2	36	Tenerife	S	19	66
H. Kong	S	16	60	Tokyo	S	9	48
Innsbr'k	C	9	48	Toronto	C	3	37
Invrnss.	R	7	45	Tunis	C	14	57
I.o.Man	F	8	46	Valencia	F	17	63
Istanbul	C	8	46	Venice	S	10	50
Jersey	F	9	48	Vienna	C	9	48
Jo'burg	S	22	72	Warsaw	C	1	34
L. Plms.	F	19	66	Zurich	C	8	46

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

هكذا من الأصل